

**CITY COUNCIL  
COMMUNICATION:**

**ITEM \_\_\_\_\_**

**OFFICE OF THE CITY MANAGER  
CITY OF DES MOINES, IOWA**

**00-143**

**SYNOPSIS -**

**AGENDA:**

APRIL 17, 2000

**SUBJECT:**

MAINTAIN  
VACANCY POLICY

**TYPE:**

**RESOLUTION**  
**ORDINANCE**  
**RECEIVE/FILE**

**SUBMITTED BY:**

RICHARD CLARK  
DEPUTY CITY  
MANAGER

On the April 17, 2000, Council agenda is a roll call approving and authorizing the City to enter into agreements with owners of residential rental properties to be acquired for the Allied Gateway Campus project area. By Roll Call No. 00-796, dated March 20, 2000, Council approved a contract for sale of land for private redevelopment with Nationwide Mutual Insurance Company to locate the Allied Gateway Campus in the western Gateway area.

City staff has begun making offers to property owners affected by the Allied Gateway Campus Project. Three structures within the Allied Gateway Campus project area contain 88 residential rental housing units. The City will be required to relocate and make relocation payments to persons that are tenants in these buildings. It is to the City's benefit to acquire such properties while preventing new tenancies therein by persons who wish to become tenants only to obtain relocation benefits prior to the City's acquisition of the building.

Council is asked to approve and authorize the City to enter into agreements with the owners of such residential rental properties whereby owners agree, pending acquisition of their property by the City, to forgo renting units as they become vacant in consideration of the City's monthly payment of an amount equivalent to the rental for such unit less costs saved by the owner in not renting the property. Such an agreement with property owners would not affect the relocation eligibility of tenants on the property at the time the City makes an offer to purchase the property.

Council has previously approved this procedure in relation to property acquisitions for the Martin Luther King, Jr. Parkway Project by Roll Call No. 95-2106, May 28, 1995, and by Roll Call No. 95-3178, August 21, 1995.

### **FISCAL IMPACT -**

Based on the number of residential units and the anticipated date of acquisition by the City, it is estimated that payment to property owners will not exceed \$60,000. Payments made to property owners will be funded out of available tax increment financing revenues from the Metro Center Urban Renewal Project Area.

### **RECOMMENDATION -**

**Approve and authorize the City Manager or his designee to enter into agreements with the owners of residential rental properties whereby owners agree, pending acquisition of their property by the City, to forgo renting units as they become vacant in consideration of the City's monthly payment of an amount equivalent to the rental for such unit less costs saved by the owner in not renting the property. Council will approve each contract prior to final execution.**