

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

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

00-214

SYNOPSIS -

AGENDA:

MAY 15, 2000

On the May 15, 2000, Council agenda is a roll call relating to the City-initiated redevelopment proposal submitted by Ben's Keystone Construction, L.C. to purchase 1312 Stewart, 1316 Stewart, 1320 Stewart, 1342 Stewart, and 1346 Stewart. The roll call authorizes:

SUBJECT:

LOGAN URBAN
RENEWAL AREA-
SALE OF PROPERTY
FOR SINGLE
FAMILY
RESIDENTIAL
CONSTRUCTION

- Execution of the Urban Renewal Purchase Agreement for Residential Construction by and between the City of Des Moines, Iowa and Ben's Keystone Construction, L.C. (principles are Michael Hubbell, 2833 Forest Drive, Des Moines, Iowa, and Ben Taylor, 7997 NW 37th Street, Ankeny, Iowa.

- Approval, execution, and delivery of the Special Warranty Deeds for the Disposition Parcels.

TYPE:

This item was initially reviewed at the May 1, 2000 Council meeting. It was deferred, however, because of concerns about adequate storage.

RESOLUTION
ORDINANCE
RECEIVE/FILE

The Request for Proposals (RFP) for Infill Development and the minimum development requirements of the Logan Urban Renewal Plan address this storage issue. The RFP distributed by the Community Development Department requires that new homes constructed through City-administered programs have either a full basement or a one-car garage. In addition, to satisfy the minimum development requirements of the Logan Urban Renewal Plan, new developments on lots with frontage over 60 feet must have a garage.

SUBMITTED BY:

RICHARD CLARK
DEPUTY CITY
MANAGER

Staff's intent is that storage would take place in either the basement area when that is required, or the garage, either of which should be adequate for most households of this size.

FISCAL IMPACT -

The proceeds of \$3,680 from the disposition parcels will be deposited into the Single Family Affordable Housing Program

Account. Single-family, owner-occupied homes will be developed on the six parcels at a construction cost per house of \$110,000; approximately \$90,000 per property will be added to the tax base after the ten-year abatement period. The construction will be financed through a private lender. A subsidy of \$20,000 or less per house will be provided. This subsidy will be equal to the gap between the appraised value of the house and the cost to construct; this amount will be secured by a lien that is forgivable if the owner-occupant remains in the house for a period of ten years.

RECOMMENDATION -

The City Council is asked to accept the offer to purchase and to authorize the execution of the Purchase Agreement and the Special Warranty Deed.

BACKGROUND -

On March 20, 2000, by Roll Call No. 00-806, the Council accepted a redevelopment proposal from Ben's Keystone Construction, L.C. By Roll Call No. 00-807, the Council authorized an advertisement for competing proposals. The advertisement was published in the Des Moines Register on March 22, 2000.

These projects were submitted by Ben's Keystone Construction, L.C. in response to an RFP distributed by the City's Community Development Department. The plans as submitted meet or exceed all requirements of the RFP, as well as the minimum development requirements established by the Logan Urban Renewal Plan. The RFP for Infill Development included the following requirements:

- Minimum 1,000 square feet.
- Minimum three bedrooms.
- Full basement or, if basement is not feasible, a garage.

The minimum development requirements for the Logan Urban Renewal Area were approved by the Council on August 17, 1992, by Roll Call Nos. 92-3220 and 92-3221. The requirement for garages exceed those contained in the Infill RFP. The minimum development requirements include the following garage requirements:

- A home without a garage shall be permitted on a lot with a frontage of up to 59 feet.

- A home with a minimum of a one-car garage shall be permitted on a lot with a frontage of up to 69 feet.
- A home with a two-car garage shall be permitted on a lot with a frontage of 70 feet or more.

Two 1-½-story homes and three 1-story homes are proposed. Two homes are on 60-foot wide lots and will have 16' by 20' garages. The other three homes are on smaller lots and will have parking pads suitable for a garage in the future. Construction will commence within two months of property transfer.

Ben's Keystone Construction, L.C. has a good track record for completing houses on budget and selling them quickly. Like all new construction, these homes are required to meet all City codes.