

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

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

00-377

SYNOPSIS -

AGENDA:

This is an update on the status of selling flood lots in the Frisbee Park Neighborhood and a request for authorization to proceed as outlined.

AUGUST 21, 2000

SUBJECT:

FISCAL IMPACT -

UPDATE ON THE
SALE OF FLOOD
LOTS IN THE
FRISBEE PARK
NEIGHBORHOOD
AND
AUTHORIZATION
TO PROCEED WITH
SALE

None with this action. Eventually the sale of Packages A and C will result in proceeds of \$49,500 and \$112,250, respectively with the prices for Packages B and D to be determined later.

RECOMMENDATION -

Approval.

TYPE:

BACKGROUND -

RESOLUTION
ORDINANCE
RECEIVE/FILE

To date, the lots have been offered for sale in accordance with the process approved by Roll Call No. 00-698 and outlined in Council Communication No. 00-083 (a copy of that Council Communication is attached here for your review). The lots were offered for sale in two consecutive processes, first to interested residents wishing to purchase lots adjoining their properties, and next to interested housing developers to build infill houses.

SUBMITTED BY:

JIM GRANT
COMMUNITY
DEVELOPMENT
DIRECTOR

Twelve lots will be sold individually to residents in the Frisbee Park Neighborhood. Many of these contracts are on the agenda for you to approve at this same meeting.

The remaining lots were divided into four packages-A, B, C, and D for developers. The developers submitted their proposals on July 14, 2000 and were reviewed by Community Development staff. The proposals received were as follows:

Package A was requested by Barnes Realty, R. M. Madden Construction, and Associated Home Services, Inc.

Package B was requested by Associated Home Services, Inc.

Package C was requested by R. M. Madden Construction and Associated Home Services, Inc.

Package D received no requests for purchase.

After reviewing the proposals, staff recommends that Package A should be sold to Barnes Realty. This package has some of the largest lots and a few that stretch back to a park or levee. Barnes Realty's proposal best took advantage of these lots with their proposal to build larger homes than the other two developers.

Staff also recommends that Package C be sold to R. M. Madden Construction. Package C contains more lots than the other packages and R. M. Madden Construction's track record clearly shows that they would be the best at handling this number of lots.

Associated Home Services' proposals for the packages were incomplete. The company failed to provide key information about their timeline for starting and finishing the development and how they would "phase" the construction to avoid a glut of new houses all at once. There were also some concerns raised about a few of the company's previous projects with the City of Des Moines that have not been completed in a timely manner. Staff recommends that the Request for Proposals (RFP) for Package B be extended to allow Associated Home Services time to address these concerns and to possibly receive other proposals for the lots as well.

Staff is also recommending an extension for Package D since no proposals were received. Package D contains nine lots. Three of these are very deep lots with relatively high appraised, fair market values. Staff will separate out the remaining six lots and call them Package D. The other three will need to be offered as individual lots.

Timeline for Remaining Actions-

Contracts for the sale of Packages A and C will be forthcoming

for City Council approval before September 30, 2000.

Community Development staff will also work quickly to get the RFP out for Package B and the reconfigured Package D. Hopefully, contracts for the sale of these lots will be forthcoming to the City Council by October 31, 2000. Staff will also put together a plan for offering the remaining three lots for sale as individual lots.

Attachment