



**CITY COUNCIL
COMMUNICATION:**

ITEM _____

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

00-492

SYNOPSIS -

AGENDA:

OCTOBER 23, 2000

On the October 23, 2000, Council agenda is a roll call to receive, file and refer to the City Manager a proposal for a commercial redevelopment, including a grocery store and retail store to be located in the vicinity of Sixth and University Avenues.

SUBJECT:

COMMERCIAL
DEVELOPMENT -
VICINITY OF SIXTH
AND UNIVERSITY
AVENUES

FISCAL IMPACT -

None.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

RECOMMENDATION -

Approval of roll call to receive and file and refer to the City Manager for review. This proposal, along with a previously presented proposal from Ed Fallon and 1000 Friends of Iowa, will be evaluated by the City Manager based on their respective financial feasibility, cost, and community impact, and a recommendation submitted to City Council.

SUBMITTED BY:

ERIC A. ANDERSON
CITY MANAGER

BACKGROUND -

In addition to meeting with Ed Fallon and 1000 Friends of Iowa, City staff has been meeting with a group of local businesspersons and a developer who are interested in developing a locally, owned and operated 35,000 square foot grocery store and a 15,000 square foot national retail outlet in the vicinity of Sixth and University Avenues.

The local group of businesspersons consists of Franklin Green, owner of Quality Ford; Marvin Alexander, a retired insurance executive and owner of Alexander and Associates Consulting; Dimaggio "Nick" Nichols, owner of Noble Ford; and Greg Stewart. Mr. Stewart would be the proposed day-to-day store operator and has 30 years of experience in the grocery industry. He currently resides in Kansas City where he is the manager of a 25,000 square foot grocery store

and will move to Des Moines, if the proposal moves forward. SuperValu Distribution, the nation's largest supplier of grocery product to independent grocery stores, has been working with this group and has preliminarily approved the group to operate a SuperValu supplied store. In addition, Mr. Green, et al, has submitted a financial pro forma, including proposed cost, to City staff.

A developer, represented by Larry Sharp with Iowa Commercial Realty, has secured options to purchase most of the ground located between Sixth Avenue and Ninth Street between University and Indiana Avenues. The developer represents a national retailer that has expressed an interest in developing the 15,000 square foot retail store adjacent to the proposed grocery store.

As with any development proposal, many site development and financial issues will need to be finalized before Council could consider a formal development agreement.