

## Meeting Agendas/Info

CITY COUNCIL  
COMMUNICATION:

ITEM \_\_\_\_\_

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

01-322

**SYNOPSIS -**

**AGENDA:**

JUNE 18, 2001

**SUBJECT:**

CITY PURCHASE OF  
NIC PROPERTY FOR  
THE WESTERN  
GATEWAY PROJECT

On April 19, 1999 by Roll Call 99-1190, the City and the Des Moines Development Corporation (DMDC) agreed to jointly participate in efforts to redevelop the downtown area known as the Gateway Project. In the time period since the execution of the Memorandum of Understanding for the Gateway Project, the Des Moines Development Corporation reorganized and became a part of the Greater Des Moines Partnership (Michael Blouin, President and CEO).

Neighborhood Improvement Corporation (NIC), on behalf of DMDC and GDMP, has acquired 425 East Grand Avenue in the Eastern Gateway. NIC is located at 700 Locust Street, Suite 100, Des Moines, Iowa. The president of NIC is Fred Weitz.

**TYPE:**

**RESOLUTION**  
ORDINANCE  
RECEIVE/FILE

425 East Grand was purchased for the East Village Study Block Project. The development plan for the block establishes the property as a surface parking lot in the short-term and as structured parking in the long-term.

**FISCAL IMPACT -**

**SUBMITTED BY:**

RICHARD CLARK  
DEPUTY CITY  
MANAGER

The City will pay \$1 to NIC for the conveyance of 425 East Grand. The Greater Des Moines Partnership will reimburse NIC for the total cost of property acquisition, including closing and holding costs. The City will complete the required property improvements for the surface parking lots and GDMP will reimburse the City in March 2002 for these improvements. The funding for the property purchase and improvements are part of the funds committed by DMDC (now GDMP) to the Eastern Gateway in the Memorandum of Understanding. The GDMP obligation is limited to \$623,554, the remaining amount due under the \$1 million grant obligation for the Eastern Gateway under the Memorandum of Understanding.

**RECOMMENDATION -**

**Approval of the Resolution to approve the conveyance of title to the City for 425 East Grand Avenue located in the Eastern**

## **Gateway Project area.**

### **BACKGROUND -**

On April 19, 1999, the City Council adopted Roll Call 99-1190, which approved a Memorandum of Understanding (MOU) with DMDC. This MOU provides for contributions from DMDC in the amount of \$4 million to the Western Gateway Project and \$1 million to the Eastern Gateway Project. The MOU also provides for the transfer of properties to the City that have been acquired for the projects by DMDC.

DMDC/GDMP has expended \$376,446 in association with the Eastern Gateway Project. GDMP has agreed to use the balance of funds committed to the Eastern Gateway Project for the purchase and improvement of this property. Upon title transfer, the City will manage demolition of the existing building, site preparation, paving and lighting activities. The costs will be forwarded to GDMP for reimbursement to be paid on March 1, 2002. The Downtown Development Advisory Committee did review and approve this request with the condition that the total project cost not exceed \$623,554, the remaining grant amount for the Eastern Gateway. The Officers and the Executive Committee of the Greater Des Moines Partnership also gave unanimous approval to this request.

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