

**CITY COUNCIL  
COMMUNICATION:**

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

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

**02-454**

**SYNOPSIS -**

**AGENDA:**

AUGUST 19, 2002

On the August 19, 2002 Council agenda is a roll call giving preliminary approval to a development agreement with the Neighborhood Development Corporation (NDC), hereinafter referred to as developer, for a proposed redevelopment project at the intersection of 6th and University Avenues. The agreement requires construction of a McDonalds restaurant. The development agreement provides for an economic development grant funded by in-kind contribution of four parcels owned by the City in the project site. The parcels were voluntarily acquired through donations and purchase for redevelopment as part of the Top Value Foods grocery store project.

**SUBJECT:**

The roll call also authorizes actions related to the conveyance of the eastern portion of Disposition Parcel No. 97-A Metro Center Urban Renewal Project Area to NDC for the proposed redevelopment project, including:

DEVELOPMENT  
AGREEMENT WITH  
NEIGHBORHOOD  
DEVELOPMENT  
CORPORATION FOR  
REDEVELOPMENT  
PROJECT AT 6TH  
AND UNIVERSITY  
AVENUES

1. Setting Minimum Development Requirements and Competitive Criteria for the disposition of the eastern portion of Disposition Parcel No. 97-A Metro Center Urban Renewal Project Area;
2. Authorizing publication and setting September 23, 2002 as the deadline for receiving competitive development proposals;
3. Appointing the Urban Development Board as the agent of the City to receive competing proposals for the purchase and development of the eastern portion of Disposition Parcel No. 97-A Metro Center Urban Renewal Project Area; and
4. Referring the proposed project to the appropriate City boards and committees for review and recommendation to City Council.

**TYPE:**

**RESOLUTION**  
ORDINANCE  
RECEIVE/FILE

**FISCAL IMPACT -**

The City has voluntarily acquired four parcels through donation and purchase as part of the land assemblage for the Top Value Foods

**SUBMITTED BY:**

RICHARD CLARK  
DEPUTY CITY  
MANAGER

grocery store project at a cost of \$42,100 from previously approved funding for the grocery store project. The proposed economic development grant will be funded with an in-kind contribution of the four parcels with a fair market value of \$45,500.

**RECOMMENDATION -**

**Approval.**

**BACKGROUND -**

By Roll Call No. 01-746, dated March 12, 2001, the City Council approved the Planned Unit Development (PUD) Conceptual Plan for the private redevelopment of property between University and Indiana Avenues and between 6th Avenue and the alley west of 8th Street, as a shopping center with a 35,000 square foot grocery store and a 15,000 square foot retail store. At the time of the PUD approval, a private developer was working with Walgreen to locate on the site. Subsequent to that approval, Walgreen withdrew from the development.

In an effort to keep the portion of the PUD development parcel between 6th Avenue and 7th Street assembled (eastern portion of Disposition Parcel No. 97-A Metro Center Urban Renewal Project Area) and to further commercial redevelopment along the 6th Avenue corridor, the NDC took assignment of the purchase contracts for the parcels east of 7th Street at University Avenue and has actively been seeking a development project for the site. NDC has invested approximately \$750,000 in land assemblage costs for this development parcel.

NDC is proposing to lease the land to McDonalds Corporation who will construct and operate a 7,500 square foot restaurant. The proposed project will create an estimated 60 employment opportunities and provide additional retail services to Enterprise Community residents.

This development is deemed a complementary use by the owners/operators of Top Value Foods grocery store currently under development adjacent to the site. The proposed development will also act as a catalyst for further commercial redevelopment along the 6th Avenue corridor in the Enterprise Community.

**Development Agreement**

Following are the essential points of the development agreement with NDC for the redevelopment of the eastern portion of Disposition Parcel No. 97-A Metro Center Urban Renewal Project Area.

The developer shall:

- Own and lease the land to McDonalds Corporation who will construct and operate a restaurant on the site. The development will conform with the PUD located between University and Indiana Avenues and between 6th Avenue and the alley west of 8th Street.
- Conveyance of the City-owned parcels in the eastern portion of Disposition Parcel No. 97-A Metro Center Urban Renewal Project Area will occur after the developer/tenant submit a final development plan for the project for review by the appropriate City boards and commissions and approval by the City.
- Provide for an access agreement between the City and developer to allow access to the City parcels for initial demolition and clearance pending conveyance of the City parcels.
- Submit evidence satisfactory to the City that developer/tenant has commitments for financing necessary to carry out the proposed project.

City shall cause to be provided the following:

- An economic development grant funded by an in-kind contribution of four parcels located within the redevelopment site.
  - City shall advance economic development grant (i.e., the four parcels) to developer upon satisfaction that developer has taken ownership of the project site, provided a title opinion that developer holds title to the property, has executed and recorded the Declaration of Covenants in favor of the City, and the City has approved the final development plans for the improvements on the site.
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