

CITY COUNCIL
COMMUNICATION
:

02-487

AGENDA:

SEPTEMBER 9,
2002

SUBJECT:

PROPERTY LAND
MANAGEMENT
REVENUE
DISBURSEMENT
POLICY

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

DONALD M. TRIPP
PARK AND
RECREATION
DIRECTOR

ITEM _____

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

SYNOPSIS —

Approve the Property Land Management Revenue Disbursement Policy.

FISCAL IMPACT —

N/A

RECOMMENDATION —

Approval.

BACKGROUND —

The City of Des Moines routinely acquires and disposes of property for capital projects and to meet operating goals. In an effort to better utilize resources, a policy has been developed to assign the income derived from real property sales.

Implementation of an ongoing comprehensive, asset management program required a thorough inventory and classification of City-owned property. The initial inventory revealed that just under 21,000 acres (over 42 percent) of the property within the city boundaries is not currently taxed. This non-taxed area includes 10,772 acres (21.7 percent of the total) owned by the City of Des Moines and the remainder held by other federal, state, and county governments as well as schools and other tax-exempt entities.

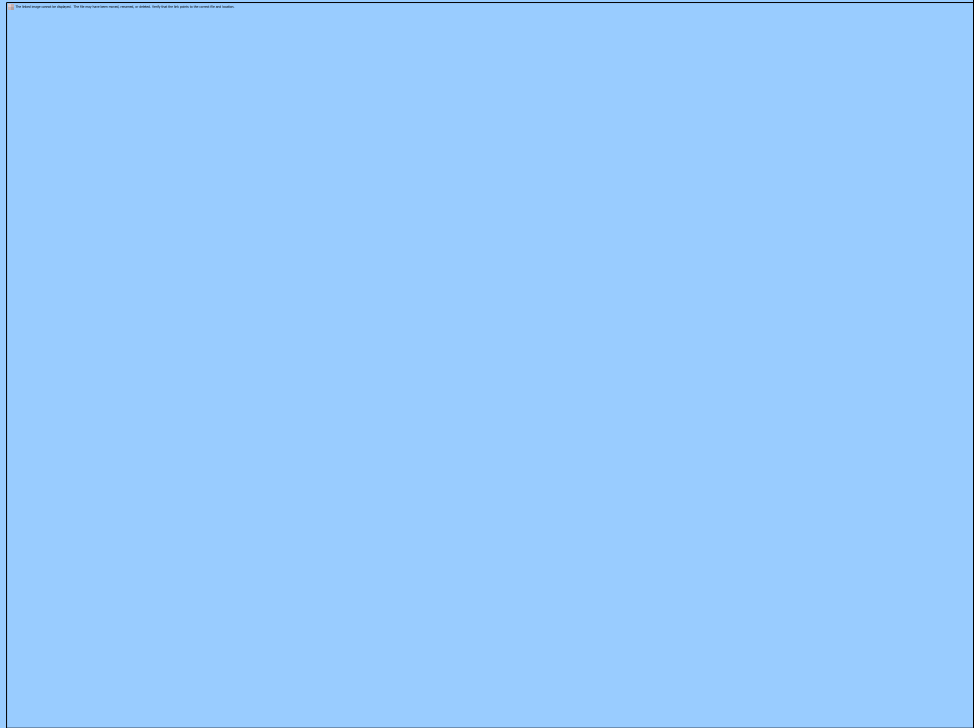
After the initial inventory was completed, the properties were preliminarily classified and a comprehensive assessment will be conducted. As this assessment progresses, it is expected a portion of the properties will be deemed in excess and disposition will be initiated.

Several benefits to the City will result from the disposition of excess City property. The benefits include the actual sale proceeds, added taxable property in the City, operational savings as the City will no longer be required to maintain the property, and any potential liability from these properties will be reduced.

The end result is a vision whereby the City of Des Moines will own only as much property as necessary to accomplish the goals of the City

Council. This property shall be maintained in an exemplary manner, focusing on good stewardship, outstanding customer service, and adding to the beauty of Des Moines.

The process is outlined in the following chart.



Many portions of this Property Management Process have been successfully implemented. Council action is required to implement the long-term benefit to the process, the establishment of an Endowed Maintenance Fund to hold proceeds from the sale of unencumbered real property.

Property Land Management Revenue Disbursement Policy

With Council approval, all proceeds from the sale or lease of unencumbered property shall be deposited in the Endowed Maintenance Fund.

Interest from the Endowed Maintenance Fund will be used solely to offset a portion of the maintenance expenses.

As stated, the City Council will continue to approve all dispositions of City real property. At that time, the Council has discretionary authority to assign the proceeds as it wishes. Additionally, spending from the Endowed Maintenance Fund will be part of the budget process.

It is anticipated that the adoption of the Property Land Management Revenue Disbursement Policy will provide for the funding of essential

ongoing maintenance responsibilities by alternative revenue sources through an investment of proceeds from the sale of real property.

The success of this program ultimately rests with the discipline exercised by the City in accounting for the disposition of City real property.

On August 21, 2002, the Park and Recreation Department presented a "Status Report on Operations" at the scheduled City Council Workshop. The PowerPoint presentation included additional information on the Property Management Process and Property Land Management Revenue Disbursement Policy. The presentation is available on the City of Des Moines' Website at www.dmgov.org or www.dmpark.org. Hard copies of the presentation are available upon request.

Approval of the Property Land Management Revenue Disbursement Policy is recommended at this time.

