

**CITY COUNCIL  
COMMUNICATION:**

**03-052**

**AGENDA:**

JANUARY 27, 2003

**SUBJECT:**

CITY PURCHASE OF  
NIC PROPERTY  
FOR THE WESTERN  
GATEWAY  
PROJECT

**TYPE:**

**RESOLUTION**  
ORDINANCE  
RECEIVE/FILE

**SUBMITTED BY:**

RICHARD CLARK  
DEPUTY CITY  
MANAGER

**ITEM 31**

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

**SYNOPSIS —**

On April 19, 1999, by Roll Call No. 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 (MOU) for the Gateway Project, the DMDC reorganized and became a part of the Greater Des Moines Partnership (GDMP) (Teresa Wahlert, President and CEO).

On October 25, 1999, the City Council approved and accepted the City's acquisition of seven properties from DMDC by Roll Call No. 99-3336. On May 15, 2000, the City Council approved and accepted the City's acquisition of two additional properties from Neighborhood Improvement Corporation (NIC). On May 24, 2001, the City Council approved and accepted the City's acquisition of one small parcel and one large property from NIC. NIC is now prepared to transfer additional properties located at 1021 Locust and 1100 Grand.

**FISCAL IMPACT —**

The City will pay \$1 for 1021 Locust and \$175,000 for 1100 Grand. The acquisition funds are available from the proceeds of the Tax Increment Financing (TIF) backed General Obligation bonds issued for this project and included in the adopted Capital Improvement Program (CIP). The amount is included in the budget that was approved by the Gateway Steering Committee.

After the transfer of these properties to the City, the balance of the GDMP's \$4 million commitment will be \$61,000.

**RECOMMENDATION —**

**Approval of the resolution to approve a purchase agreement and the conveyance of title to the City for the subject properties located in the Western Gateway Project area.**

**BACKGROUND —**

On April 19, 1999, the City Council adopted Roll Call No. 99-1190, which approved an 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

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DMDC.

DMDC has expended in excess of \$4 million to acquire land for the Western Gateway Project. Eleven DMDC/NIC-acquired properties have been transferred to the City. This resolution approves the conveyance to the City of two additional properties. The properties located at 1021 Locust and 1100 Grand were improved with commercial office buildings but are now vacant land.

The City's purchase of 1021 Locust for \$1 and 1100 Grand for \$175,000 will leave the GDMP short about \$61,000 of completing the \$4 million commitment. This \$61,000 will be retained to cover the difference between what the City is willing to pay for 1308 Grand, the only remaining NIC-owned property, and what NIC has spent on the parcel.

