

**CITY COUNCIL  
COMMUNICATION:**

**03-058**

**AGENDA:**

JANUARY 27, 2003

**SUBJECT:**

CITY PURCHASE  
OF NIC PROPERTY  
FOR THE  
EASTERN  
GATEWAY  
PROJECT

**TYPE:**

**RESOLUTION**  
ORDINANCE  
RECEIVE/FILE

**SUBMITTED BY:**

RICHARD CLARK  
DEPUTY CITY  
MANAGER

**ITEM 30**

**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).

Neighborhood Improvement Corporation (NIC), on behalf of DMDC and GDMP, has acquired 411-423 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.

411-423 East Grand Avenue was purchased for the East Village Study Block Project. There is funding in the Gateway budget to purchase the property from NIC.

**FISCAL IMPACT —**

The City will pay \$249,631.68 to NIC for the conveyance of 411-423 East Grand Avenue. The funding is available in the Gateway budget.

**RECOMMENDATION —**

**Approval of the resolution to approve the purchase by the City of 411-423 East Grand Avenue located in the Eastern 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 DMDC.

On July 8, 2002, by Roll Call No. 02-1762, the City Council approved the East Village Study Block Development Plan. The subject property is located in the Study Block and the former owner approached NIC regarding the sale of the property. In order to ensure high-quality redevelopment of the block, NIC proceeded with the purchase of the building.

	<p>Currently, nine residential units and one commercial business are located in the structure. The residential units do not meet the City's rental code, and it is our intention to begin the relocation of the residential tenants immediately.</p>
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