

**CITY COUNCIL
COMMUNICATION:**

03-176

AGENDA:

APRIL 21, 2003

SUBJECT:

EASTERN GATEWAY
PROPERTY
ACQUISITIONS

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

RICHARD CLARK
DEPUTY CITY
MANAGER

ITEM _____

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

SYNOPSIS —

The purpose of this roll call is to establish fair market value of property located at 230 and 234 East Grand in the Eastern Gateway, and to direct staff to proceed with the acquisition of the parcel by negotiation or condemnation. The property was formerly occupied by Dewey Ford Used Car Sales. The dealership relocated the business with the majority of their operations to Ankeny last fall. The land area is 39,858 square feet and the building has a footprint of 3,888 square feet. Upon acquisition, the City will demolish the structure and utilize the parcel for surface parking to support other Eastern Gateway redevelopment activities. The parcels are owned by J.C. Services Company/Hamm's Des Moines Company, Inc.

FISCAL IMPACT —

The fair market value of the parcel totals \$550,000. Estimated relocation cost is \$0. The total demolition estimate is \$44,000. The acquisition, relocation, and demolition will be funded through the Gateway budget and/or a revolving loan from Fannie Mae.

RECOMMENDATION —

Approval.

BACKGROUND —

In May 1998, the Council received and filed recommendations regarding Gateway East from several boards and commissions. At the same meeting, the Council approved the City Manager's recommendations to merge Gateway West and Gateway East into the Gateway Project.

Since the approval of the Gateway Project, a development strategy for the block between East 4th and East 5th, Grand to Locust, has been completed. In addition, a historical survey has identified structures that may be eligible for the National Register of Historic Places. Both of these studies set the stage for the rehabilitation and redevelopment of the area.

Dewey Ford's relocation to Ankeny presents a unique opportunity in the revitalization of the area. If redeveloped with planning and forethought, the properties will contribute greatly to the area. If redeveloped in a piecemeal fashion, however, the properties could become a detriment to the area, including the study block.

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In April 2002, Council directed staff to complete preliminary acquisition activities including appraisal, environmental, title, and other related work. These activities were required to determine the feasibility of acquiring the properties for redevelopment. Staff was also directed to proceed with amending the Metro Center Urban Renewal Plan to designate the properties as acquisition and disposition parcels. Amendment Five to the Metro Center Urban Renewal Plan, which designated eleven parcels in the Eastern Gateway as acquisition and disposition parcels, was approved in June 2002.

In November 2002, Council directed staff to move forward with the acquisition of two of the identified parcels. This Council action will add an additional parcel. It is staff's intention to negotiate the purchase of the parcel. If negotiations fail, condemnation will be utilized only after the purchase price is reviewed by staff.

The other designated acquisition parcels may be purchased in the future. Parallel to the current acquisition negotiations, staff will work on a redevelopment and reuse plan for the parcels.

