

**CITY COUNCIL  
COMMUNICATION:**

**03-409**

**AGENDA:**

AUGUST 25, 2003

**SUBJECT:**

DEVELOPMENT  
AGREEMENT WITH  
MASSMAN GROUP FOR  
REDEVELOPMENT OF  
110-112 - 10<sup>TH</sup> STREET

**TYPE:**

**RESOLUTION**  
ORDINANCE  
RECEIVE/FILE

**SUBMITTED BY:**

RICHARD CLARK  
DEPUTY CITY  
MANAGER

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

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

**SYNOPSIS —**

On the August 25, 2003 Council agenda are two roll calls relating to the 10<sup>th</sup> Street Lofts project. The first roll call is to approve the vacation and conveyance of the east/west alley adjoining 112 - 10<sup>th</sup> Street to assist in the rehabilitation of the existing buildings. The second roll call is to approve the Development Agreement with Massman Group, LLC for the redevelopment of 110-112 - 10<sup>th</sup> Street. The Massman Group, LLC (Ed Massman, 6920 Lakeshore Drive, Dallas, Texas 75214) will convert the two early 20<sup>th</sup> century warehouses into 94 units of market-rate housing.

In summary, the Council is asked to:

1. Open and close the hearing on the proposed vacation and conveyance of the public right-of-way, and authorize and direct the Mayor to sign the Acceptance of the Offer to Purchase Real Estate and the Special Warranty Deed for the conveyance on behalf of the City.
2. Approve the Development Agreement with the Massman Group, LLC. In exchange for assistance with tenant parking and installation of sidewalk improvements, the Massman Group, LLC agrees to construct 94 rental units.

**FISCAL IMPACT —**

Per the terms of agreement, the City will replace the sidewalk in front of the two buildings and the adjacent parking lot. The cost to replace the sidewalk is estimated to be \$50,000 and will be funded out of the Enterprise account.

**RECOMMENDATION —**

**Approve the vacation and conveyance of the alley adjacent to the subject properties and approve the Development Agreement with the Massman Group, LLC.**

**BACKGROUND —**

On April 21, 2003, the Council gave preliminary approval for a proposed housing project on 10<sup>th</sup> Street between Mulberry and Cherry. At the same meeting, the Council also approved the Enterprise Zone application for the project.

The following comprise the key points of the Development Agreement

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between the City and the Massman Group, LLC.

1. The Massman Group, LLC will rehabilitate two structures at 110 and 112 - 10<sup>th</sup> Street into 94 residential units.
2. The total project cost will be at least \$7,000,000.
3. The City will initiate the process to vacate and sell to the Massman Group, LLC the east one-half of the east/west alley adjacent to and adjoining 110 - 10<sup>th</sup> Street and 112 - 10<sup>th</sup> Street. The vacated alley would be sold with a no-build easement.
4. The City will replace the sidewalk in front of 110, 112, and 120 - 10<sup>th</sup> Street.
5. The City will remove the parking meters in front of 110 and 112 - 10<sup>th</sup> Street and designate the spaces as 20-minute loading zones.
6. The City will provide surface parking as defined by Exhibit D for a period of five years and will assist the developer in identifying acceptable parking in a broader area if required.

