

**CITY COUNCIL
COMMUNICATION:**

03-453

AGENDA:

SEPTEMBER 8, 2003

SUBJECT:

AUTHORIZATION TO
NEGOTIATE
PARKING LEASE
FOR NORTHEAST
CORNER OF EAST
4TH STREET AND
EAST GRAND
AVENUE

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

RICHARD CLARK
DEPUTY CITY
MANAGER

ITEM EX-1

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

SYNOPSIS —

On the September 8, 2003 Council agenda is a roll call authorizing the City Manager to negotiate a parking lease with Nelson Development, LLC (Jake Christensen, 5619 NW 86th Street, Suite 600, Johnston, IA 50131) for approximately 160 spaces at the northeast corner of East Grand Avenue and East 4th Street in the Eastern Gateway area. This parcel is the former location of the Dewey Ford Collision Center. The City is in the process of purchasing this property and will complete the transaction in the next 90 days.

FISCAL IMPACT —

The City will negotiate a lease rate with Nelson Development, LLC. The lease will require Council approval.

RECOMMENDATION —

Authorize the City Manager to negotiate a parking lease for the northeast corner of East Grand Avenue and East 4th Street with Nelson Development, LLC. Depending on the final terms of the lease, a developer-initiated process may be required.

BACKGROUND —

In November 2002 and April 2003, Council authorized staff to move forward with the purchase of three large parcels formerly occupied by Dewey Ford—the former Dewey Ford showroom, the used car lot, and the collision center. Elsewhere on this agenda is a Council action directing staff to negotiate a contract with the developers of East Village Square Development (Knapp Properties Inc., Neighborhood Investment Corporation, and the Hatch Development Group) to redevelop the former Dewey Ford Showroom. The short-term plan for the used car lot and the collision center properties is surface parking to support redevelopment projects in the area.

Nelson Development, LLC is under contract to lease 50,000 square feet of office space at 430 East Grand to a single user. Nelson Development, LLC will rehabilitate the 32,000 square foot existing structure and build an 18,000 square foot addition directly to the west. The total project budget will be approximately \$5.5 million. Approximately 125 employees will work in the facility, and over

10,000 people will visit the site weekly.

Because of the high volume of visitors, the parking demand is high. The developer will utilize the parking lot of the Capitol Lutheran Church to satisfy a portion of the need. The remaining parking demand can be met by the former collision center property.