



Agenda Item:
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COUNCIL COMMUNICATION

City Manager's Office

GENERAL INFORMATION

Agenda Date: 11/21/05
658

Communication No.: 05-

Agenda Item Type: Resolution

Roll Call No.:

Submitted by: Richard Clark, Acting City Manager

SUBJECT—

Resolution to Authorize Delivery of a Letter From the Acting City Manager to NIC II Regarding a Potential Future Recommendation to Acquire Property Located at 1350 Tuttle Street for the Redevelopment of Riverpoint West

SYNOPSIS—

Council is requested to acknowledge the form and content and delivery of a letter from the Acting City Manager to Neighborhood Investment Corporation II (NIC II), an affiliate of the Greater Des Moines Partnership, to acquire property located at 1350 Tuttle Street for the redevelopment of Riverpoint West. River Point West, LLC (an affiliate of Sherman Associates, Inc., George Sherman, President, 233 Park Avenue South, Suite 201, Minneapolis, MN and of Rottlund Homes, Tim Whitten, Executive Vice President, 3065 Centre Pointe Drive, Roseville, MN) intends to obtain an option to purchase the property from NIC II for an amount equal to the purchase price of \$1.6 million plus holding costs in excess of property income. In the future, should River Point West, LLC fail to exercise its option to purchase this property and the option expires, the Acting City Manager intends to recommend to the City Council that the City purchase the property for an amount equal to the purchase price of \$1.6 million plus holding costs in excess of property income. The recommendation will be contingent upon (1) the amount being representative of the fair market value for the property and (2) City Council approval of acquisition of the property by appropriate resolution.

FISCAL IMPACT—

N/A.

RECOMMENDATION—

Approval.

BACKGROUND—

On October 24, 2005, the City Council entered into the Preliminary Agreement with River Point West, LLC for redevelopment of the Riverpoint West area. In order to facilitate this project, NIC II intends to purchase approximately three acres of property located at 1350 Tuttle Street that David and Susan Moffitt own for \$1.6 million and sell it to River Point West, LLC for the same amount plus holding costs in excess of property income. Council may be requested in the future to acquire the land should River Point West, LLC be unable to fulfill its responsibilities. The property is located in the Metro Center Urban Renewal Area and is in a prime location for redevelopment.