



Council Communication

Office of the City Manager

Date January 26, 2009

Agenda Item No. 28
Roll Call No. 09-
Communication No. 09-046
Submitted by: Matt Anderson, Office of
Economic Development

AGENDA HEADING:

Set date of hearing on proposed sale of City-owned property located at 1439 East Grand Avenue.

SYNOPSIS:

State of Iowa - Iowa Prison Industries (Roger Baysden, Director, 510 East 12th St.- Suite 4/ Des Moines, IA) has made a proposal to purchase the property for the construction of a showroom, offices and distribution warehouse for its sales operations. Iowa Prison Industries (IPI) is the self-supporting work arm of the Iowa Department of Corrections. This site works well for IPI clients which include school districts, cities, counties, universities and various non-profits agencies, by allowing customers to view the IPI-produced furniture and related products, place orders and arrange for delivery.

FISCAL IMPACT:

Amount: \$75,000 from buyer to be deposited in SP023 CMO980503 CDBG Loan Repayments for CDBG-eligible business activities administered by the Office of Economic Development.

Funding Sources: N/A



ADDITIONAL INFORMATION:

In the early 1990s, the City purchased properties located at 1439 – 1445 E. Grand Avenue with CDBG funds for Capitol East area commercial

redevelopment. The site, because of its small size, about 19,800 sq. ft., has proven difficult to redevelop profitably. IPI has proposed a 9,450 sq. ft. building with showrooms in its front area facing East Grand Avenue and office and warehouse space occupying the remaining portion of the structure. This project will be tax-exempt.

The proposed IPI project will be a positive impact for the area by providing a visible retail presence in an attractively-designed building.

At its December 17, 2008 meeting, the Board of Adjustment approved a front yard exception of 12.5 feet and a reduction of the required parking spaces to 11 spaces which will permit this project to proceed with a spring 2009 construction start.

IPI has submitted an offer of \$75,000 for the purchase of this City owned property. The Office of Economic Development and the City's Real Estate Division have reviewed sales of comparable land within the area of the subject property and IPI's offer has been determined to be within a reasonable range of the estimated fair market value for this property.

PREVIOUS COUNCIL ACTION(S):

Date: 1990-1992

Roll Call Number: Not known

Action: The roll calls on the designation for acquisition and purchase of this property are not readily available.

BOARD/COMMISSION ACTION(S):

Date: December 17, 2008

Roll Call Number: N/A

Action: Board of Adjustment approved exceptions for reduction of the front yard setback to 12.5 feet and from the ordinance-required 25 foot setback and reduction to 11 spaces on-site parking from the ordinance-required 16 spaces.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Hold public hearing on the proposed sale of the property at the February 9, 2009 City Council meeting.

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