

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date	November 9, 2009
	Agenda Item No. 55 Roll Call No. <u>09-</u> Communication No. <u>09-784</u> Submitted by: Matthew Anderson, Economic Development Administrator, and Jeb E. Brewer, P.E., City Engineer	

AGENDA HEADING:

Resolution establishing fair market value and authorizing voluntary acquisition of property located at 4315 S.E. 14th Street from Phyllis and Harold Rogers for the S.E. 14th Street and Army Post Road Revitalization Project for \$210,000.

SYNOPSIS:

Recommend Council approval of fair market value and authorization to acquire. This action establishes fair market value and authorizes voluntary acquisition of property located at 4315 S.E. 14th Street. This action is required to authorize the purchase of this property from Phyllis and Harold Rogers, 1238 Carrie Avenue, Des Moines, Iowa 50315-3429. This is a voluntary acquisition of a mobile home park that consists of 2.6 acres and has been appraised at \$210,000 for a total fee acquisition. Currently, the property contains 20 mobile homes, only nine of which are currently occupied with month-to-month leases. The 11 unoccupied mobile homes cannot be occupied in their current condition and are slated for demolition by the current owner. The current owner will be responsible to terminate the remaining leases, relocate the nine tenants, and demolish the existing 20 mobile home structures at owners expense prior to closing. Acquisition of this property will allow for future redevelopment of this section of the S.E. 14th Street corridor. Revitalization plans focus on working with developers and the local business community to encourage redevelopment of this site, as well as additional vacant and underutilized sites on SE 14th Street, to provide economic stabilization and enhancement of the corridor.

FISCAL IMPACT:

Amount: \$210,000

Funding Source: Economic Development Enterprise Fund, Project OPR183, Fund SP743, Organization CMO980717.

ADDITIONAL INFORMATION:

On July 28, 2008, by Roll Call No. 08-1372, the City Council authorized the City Manager to work in cooperation with Polk County and Neighborhood Development Corporation (NDC) to research potential redevelopment of the mobile home park property located at 4315 S.E. 14th Street. After several months of research and investigation, NDC has determined that this property does not fit the parameters of the types of properties and locations that are part of their mission. The owners of the mobile home park property have advised the City that their ownership of the property is no longer financially feasible and that they are planning to terminate the remaining leases in order to close the mobile home park. As units

have become vacant over the past year, the owners have not reoccupied them due to poor conditions and significant repairs required by City building codes. In lieu of making costly repairs, several mobile homes have been demolished and several more units are currently slated for demolition by the owners.

The owners, at their sole expense, will be responsible for terminating the leases and relocating the remaining nine tenants from the property prior to closing. The owner, at their sole expense, will also be responsible for demolition and removal of the mobile homes located on the property prior to closing. Although the tenants are only entitled to a 30 day written notice to terminate their month-to-month-leases, the City will require the owner to give the tenants at least 90 days written notice to terminate the leases, which shall not be delivered to the tenants prior to January 4, 2010. The City will also provide advisory assistance to the owner and the tenants with their search to find suitable replacement housing. After closing on the purchase of this property, the City will have some minor grading, seeding and interim maintenance costs until the property is sold for redevelopment.

The SE 14th corridor is currently a mixed landscape, with a combination of long-term businesses and new development, but also numerous vacant lots, dilapidated buildings, and underutilized sites. This fragmented nature, combined with significant shifts in the retail market in the Des Moines Metro area, has prompted a concentrated review of the role of the SE 14th corridor for the south side, the City of Des Moines, and the region. The history of this area has been that a consistent primary and secondary market existed to support the substantial amount of retail square footage along the corridor. As that condition has shifted with the development of numerous additional retail centers through the Metro, the need has increased to actively encourage planned economic redevelopment along SE 14th to stabilize and enhance the corridor.

Neighborhood organizations and business interests along the SE 14th corridor have participated in detailed studies on potential revitalization strategies for the area, and these contributions of time and input have been incorporated into redevelopment planning efforts. Following completion of the tasks associated with the acquisition of the Rogers property, staff will continue work on the finalization and implementation of the redevelopment plans.

PREVIOUS COUNCIL ACTION(S):

Date: July 28, 2008

Roll Call Number: 08-1372

Action: Authorizing the City Manager to work in cooperation with Polk County and Neighborhood Development Corporation to research potential redevelopment of property at 4315 SE 14th Street. (Council Communication No. 08-460) Moved by Meyer to adopt. Motion Carried 7-0.

Date: July 9, 2007

Roll Call Number: 07-1320

Action: Receive, file and refer to the City Manager a letter from the SE 14th Street Steering Committee regarding priorities and actions for revitalizing the SE 14th Street Corridor. Moved by Meyer to approve and to refer to the City Manager for action, as appropriate. Motion Carried 7-0.

Date: July 9, 2007

Roll Call Number: 07-1321

Action: Receive, file and refer to the City Manager a letter from the Ward 4 Mobile Home Park Committee regarding review of issues related to mobile home parks in the ward. Moved by Meyer to approve and to refer to the City Manager for action, as appropriate. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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