

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> October 25, 2010
	<b>Agenda Item No.</b> 50 <b>Roll Call No.</b> [ _____ ] <b>Communication No.</b> <u>10-641</u> <b>Submitted by:</b> Chris Johansen Assistant City Manager

**AGENDA HEADING:**

Hearing and approval of conveyance of excess City-owned real property south of the 1400 block of Mulberry Street to Central Iowa Shelter & Services for \$507,860.

**SYNOPSIS:**

Public hearing and approval of conveyance of excess City-owned real property south of the 1400 block of Mulberry Street to Central Iowa Shelter & Services (CISS), Anthony Timm, Executive Director, 205 15<sup>th</sup> Street, Des Moines, Iowa, 50309, for \$507,860, for development of a new homeless shelter at the Mulberry Street location. There is no current or anticipated City need for this property.

**FISCAL IMPACT:**

Amount: \$507,860 (Revenue)

Funding Source: 2010/11 CIP, Parking Improvements – Page 7, PKG028, EN054, ENG990000.

**ADDITIONAL INFORMATION:**

On May 24, 2010, by Roll Call No. 10-856, the City Council of the City of Des Moines received a request by Central Iowa Shelter & Services (CISS), a homeless services provider, expressing CISS’ interest in acquiring City-owned real property directly south of CISS’ current location on Mulberry Street in lieu of completing acquisition of the property on Keosauqua Way that CISS had been acquiring from the City by contract. By said Roll Call, City Council also received a resolution approved by the Homeless Coordinating Council recommending that the City of Des Moines work with CISS for the proposed development of a new shelter at the Mulberry Street location. At that time, City Council authorized and directed the City Manager to develop a proposal on CISS’ request to acquire said City-owned real property and to return to Council for further action on said proposal.

The City did an environmental review and submitted the report to the Iowa Department of Natural Resources (IDNR). The City received a letter from the IDNR stating that environmental remediation is not required.

Following design and contract negotiations, CISS has now offered the City of Des Moines the purchase price of \$4.44 per square foot for 114,383 square feet, for a total of \$507,860, for purchase of the subject property, which reflects the fair market value of the property as determined by independent appraisal. The Real Estate Purchase Agreement negotiated by CISS and City staff contains covenants and

restrictions on use of the property that will be included by reference in the Quit Claim Deed conveying the property to require CISS to use the property for construction and operation of a homeless shelter. As an expense separate from and in addition to the purchase price, CISS has agreed to pay the construction cost of fill-placement and grading associated with the property, which amount is reimbursable under CISS' I-JOBS grant agreement and shall be paid by CISS at closing and held in escrow for use by the City during grading of the site. The Agreement also includes design, financing, construction and minimum development requirements with which CISS must comply as part of the property conveyance and prior to issuance of a building permit and/or during construction, as applicable. These standards and covenants will survive closing on the property sale and remain binding on CISS and the property thereafter.

The conveyance of this parcel will allow remaining space for the new fire station and stormwater detention.

### **PREVIOUS COUNCIL ACTION(S):**

Date: October 20, 2010

Roll Call Number: 10-1699

Action: Set Hearing for Conveyance of Excess City-owned Real Property South of the 1400 Block of Mulberry Street to Central Iowa Shelter & Services for \$507,860. Moved by Coleman to adopt. Motion carried 7-0.

Date: May 24, 2010

Roll Call Number: [10-856](#)

Action: [Consideration](#) of Request from Central Iowa Shelter & Services (CISS) to Acquire City-Owned Property, South of the 1400 Block of Mulberry, for a Homeless Shelter. Moved by Coleman to adopt. Motion carried 7-0.

### **BOARD/COMMISSION ACTION(S): NONE**

### **ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the second floor of City Hall, 400 Robert D. Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to [cityclerk@dmgov.org](mailto:cityclerk@dmgov.org).