 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: January 24, 2011
	Agenda Item No. 54 Roll Call No. <u>11-0137</u> Communication No. <u>11-033</u> Submitted by: Pamela S. Cooksey, P.E. Acting City Engineer

AGENDA HEADING:

Continued hearing for the conveyance of City-owned properties located near I-235 and Martin Luther King Jr. Parkway to Hatch Development Group LLC for \$24,000.

SYNOPSIS:

Continue public hearing opened on January 10, 2010 and recommend approval of the conveyance of two remaining City-owned properties located near I-235 and Martin Luther King Jr. Parkway to Hatch Development Group LLC (Jack Hatch, Principal, 1312 Locust Street, Des Moines, IA 50309). This action is required by Iowa law prior to making a final determination on the proposed sale by resolution. There is no current or anticipated public need for these properties. The sale of these properties will help reduce the City’s ownership of excess land and will allow Hatch Development Group LLC to move forward with the proposed residential infill housing development project. Four out of six parcels for this development were approved for conveyance to Hatch Development Group LLC following public hearing on January 10, 2011, by Roll Call No. 11-0061.

FISCAL IMPACT:

Amount: \$24,000 (revenue)

Funding Source: \$7,500 shall be deposited into the Property Maintenance Endowment Fund, SP767, ENG980500, and \$16,500 shall be deposited into the 2010/11 CIP, Street Improvements, Fed Title-23 Land Sales, STR500, Page Street Improvements – 24.

ADDITIONAL INFORMATION:

Hatch Development Group LLC has submitted an offer to the City to purchase five right-of-way related parcels located on the north side of I-235 between 16th Street and 21st Street; and one parcel of excess land located at the intersection of Leyner Street and Martin Luther King, Jr. Parkway. Hatch Development is proposing to use these parcels for its proposed Greystone infill housing project in order to enhance and compliment the MLK Brickstone Projects located at 1039 and 1051 19th Street.

On November 8, 2010, by Roll Call No. 10-1834, the City Council received a letter and memo from Hatch Development Group LLC requesting that the City Council initiate the vacation of various City-owned right-of-way parcels, located near I-235 and Martin Luther King, Jr. Parkway, to be used for infill development of single-family affordable housing, and City Council further referred this request to the City Plan and Zoning Commission and staff for review and recommendation.

On December 20, 2010, by Roll Call Nos. 10-2071, 10-2072, 10-2073, 10-2074, 10-2075 and 10-2076, the City Council received the recommendation from the Plan and Zoning Commission that said right-of-way parcels be vacated and sold subject to certain conditions including reservation of adequate right-of-way for street and sidewalk usage and of easement for existing utilities, and provision of one street tree per dwelling unit constructed.

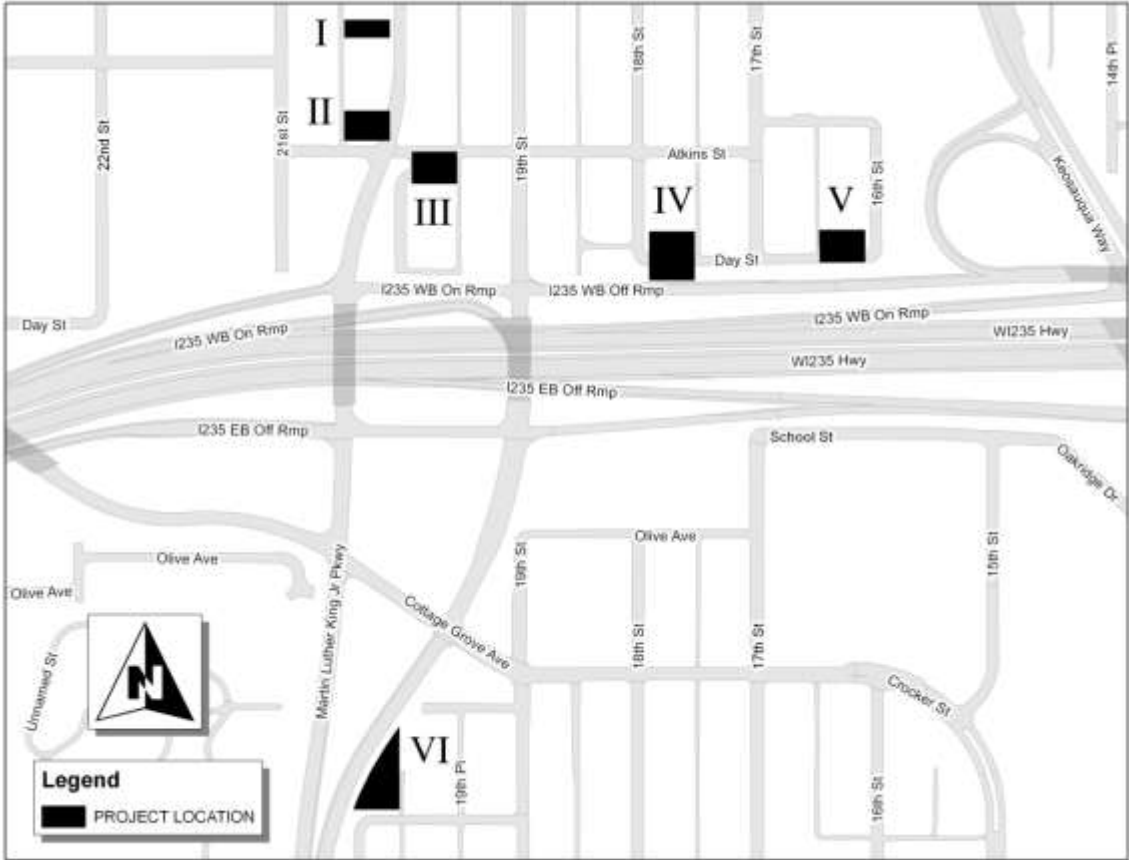
The property located at 1034 17th Street was determined to be undevelopable due to existing utilities upon the parcel and Hatch Development Group LLC is not currently interested in pursuing this property for the proposed infill housing project, although Hatch Development Group LLC is still reviewing its options for development of this parcel.

In addition to the properties recommended for vacation from the Plan and Zoning Commission, Hatch Development Group LLC has included an offer to purchase District Parcel No. 030/00986-000-000 located at the intersection of Leyner Street and Martin Luther King Jr. Parkway. This property has previously been declared excess right-of-way and does not require vacation.

On December 20, 2010, by Roll Call 10-2077, the City Council resolved that the proposed vacation and conveyance of five right-of-way parcels and conveyance of Property VI, District Parcel No. 030/00986-000-000 located at the intersection of Leyner Street and Martin Luther King, Jr. Parkway, be set for hearing on January 10, 2011. Letters concerning the proposed vacation and conveyance were sent to all adjoining property owners informing them of the public hearing as well as their right to submit a competing bid on the adjoining property if so desired.

No competing offers were received for any of the parcels prior to the January 10th hearing, but the adjoining owner to Property III, located north of I-235, Megan and Justin Bauer, 1051 Martin Luther King, Jr. Parkway, are objecting to any development next to their property. Property VI, District Parcel No. 030/00986-000-000, has several interested buyers that would like to purchase the property, but no competing offers were made prior to the January 10th hearing. The other interested buyers for Property VI are listed as follows: 1) Adjoining owner, Bennett Property Management, LLC, Monte Bennett, PO Box 421, Pleasantville, Iowa 50225, for use as additional parking for Smokey Row; 2) Adjoining owner, Cameron Sadeghpour, 1931 Leyner Street, for use as additional sideyard and a garage; and 3) Sherman Hill Neighborhood Association, Mickle Neighborhood Resource Center, 1620 Pleasant Street, Suite 204, for a use that has not yet been determined.

On January 10, 2011, by Roll Call 11-0061, the City Council resolved to vacate all five properties proposed to be vacated (Properties I-V), approve conveyance to Hatch Development Group LLC of four of the six properties proposed to be sold (Properties I, II, IV, and V), and to continue the hearing on conveyance of properties III and VI to the January 24, 2011 Council Meeting to allow additional time for adjoining property owners, the Sherman Hill Neighborhood Association, and other interested parties to submit competitive proposals for these two properties. As of Friday, January 21, 2010, staff has received no competing proposals for either property.



PREVIOUS COUNCIL ACTION(S):

Date: January 10, 2011

Roll Call Number: [11-0061](#)

Action: [On](#) vacation of various City-owned right-of-way parcels and conveyance of said parcels and additional excess City-owned property located near I-235 and Martin Luther King Jr. Parkway, to Hatch Development Group LLC, to be used for infill redevelopment of single-family affordable housing, \$51,500. (Conveyance of properties I-VI) Moved by Hensley to vacate all properties listed, and convey properties I, II, IV and V and continue conveyance of properties III and VI to the January 24 Council meeting at 5:00 PM. Motion Carried 7-0.

- I. [1120](#) Martin Luther King, Jr. Parkway, \$6,000.
- II. [District](#) Parcel Number 030/00768-001-000 (at the northwest corner of the intersection of Martin Luther King, Jr. Parkway & Atkins Street), \$6,500.
- III. [1055](#) Martin Luther King, Jr. Parkway and District Parcel Number 030-04837-000-000 (at the southeast corner of the intersection of Martin Luther King, Jr. Parkway and Atkins Street), \$7,500.

- IV. [1037](#) 18th Street and District Parcel Number 030/01666-001-000 (at the northeast corner of the intersection of 18th Street and Day Street), \$7,500.
- V. [District](#) Parcel Number 030/00986-000-000 (at the northwest corner of the intersection of 16th Street and Day Street), \$7,500.
- VI. [District](#) Parcel Number 030/03265-001-000, \$16,500. ([Council Communication No. 11-020](#))

Date: December 20, 2010

Roll Call Number: [10-2077](#)

Action: [Setting](#) date of hearing on vacation and conveyance of all parcels above, plus one additional parcel, all near I-235 and ML King Jr. Parkway, \$51,500, (1-10-11). Moved by Hensley to adopt; refer to the City Manager to report on the process used to notify adjoining property owners. Motion Carried 7-0.

Date: December 20, 2010

Roll Call Number: [10-2071](#), [10-2072](#), [10-2073](#), [10-2074](#), [10-2075](#), and [10-2076](#)

Action: Receive and file recommendations from the Plan and Zoning Commission regarding City Council initiated requests to vacate various right-of-way properties, to be used by Hatch Development Group LLC, for infill redevelopment of single-family affordable housing:

- (A) [1120](#) Martin Luther King, Jr. Parkway. Moved by Hensley to receive and file and refer to the Engineering Department, Real Estate Division. Motion Carried 7-0.
- (B) [District](#) Parcel Number 030/00768-001-000 (at the northwest corner of the intersection of Martin Luther King, Jr. Parkway & Atkins Street). Moved by Hensley to receive and file and refer to the Engineering
- (C) [1055](#) Martin Luther King, Jr. Parkway and District Parcel Number 030-04837-000-000 (at the southeast corner of the intersection of Martin Luther King, Jr. Parkway and Atkins Street). Moved by Hensley to receive and file and refer to the Engineering Department, Real Estate Division. Motion Carried 7-0.
- (D) [1037](#) 18th Street and District Parcel Number 030/01666-001-000 (at the northeast corner of the intersection of 18th Street and Day Street). Moved by Hensley to receive and file and refer to the Engineering Department, Real Estate Division. Motion Carried 7-0.
- (E) [1034](#) 17th Street (at the northwest corner of the intersection of 17th Street and Day Street). Moved by Hensley to receive and file and refer to the Engineering Department, Real Estate Division. Motion Carried 7-0.
- (F) [District](#) Parcel Number 030/00986-000-000 (at the northwest corner of the intersection of 16th Street and Day Street). Moved by Hensley to receive and file and refer to the Engineering Department, Real Estate Division. Motion Carried 7-0.

Date: November 8, 2010

Roll Call Number: [10-1834](#)

Action: [Request](#) from Hatch Development Group for the City Council to initiate the vacation of various right-of-way properties, to be used for infill redevelopment of single-family affordable housing. Moved by Moore to adopt and ask the Plan and Zoning Commission to consider a requirement for street trees. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: City Plan and Zoning Commission

Date: December 2, 2010

Resolution Number: Items 2A, 2B, 2C, 2D, 2E, 2F

Action: Recommend approval of City Council initiated request to vacate the following right-of-way parcels owned by the City of Des Moines subject to the following conditions: 1.) Reservation of right-of-way for street and public sidewalk; 2.) Provision of easement for all existing utilities until such time that they are relocated; and 3.) Provision of one (1) street tree for each dwelling unit constructed.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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