

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: June 27, 2011
	Agenda Item No. 48 Roll Call No. <u>11-1145</u> Communication No. <u>11-420</u> Submitted by: Jeb E. Brewer, P.E., City Engineer

AGENDA HEADING:

Hold hearing for vacation and lease of the alleys adjoining 1312 Locust Street and 1408 Locust Street to Westgate Partnership, L.L.C. for \$2,000.

SYNOPSIS:

Recommend vacation and lease of two segments of the north/south alleys between 13th Street (previously identified as 14th Street) and 15th Street from Locust Street to the east/west alley, to Westgate Partnership, L.L.C., Jack Hatch, officer, 696 18th Street, Des Moines, Iowa 50314, for \$2,000. The subject alleys consist of approximately 5,427 square feet, and were requested by the lessee for the purpose of utilizing the right-of-way to comply with fire code and zoning setback requirements for redevelopment of the adjoining properties. The City and public will not be inconvenienced by the vacation and lease of said property, which is subject to reservation of a public access easement.

FISCAL IMPACT:

Amount: \$2,000 (Revenue)

Funding Source: Proceeds from the lease of this property shall be deposited into the following account: 2011-12 Operating Budget, Engineering Department – Real Estate, GE001, ENG040700, Page 83, to offset the operating budget of the Engineering – Real Estate Division.

ADDITIONAL INFORMATION:

In accordance with the Lease Agreement on file in the Office of the City Clerk, Westgate Partnership, L.L.C. has proposed to lease the above-described property from the City until December 31, 2099, for the purpose of utilizing the vacated right-of-way to comply with fire code and zoning setback requirements for redevelopment of the adjoining properties, in accordance with various terms including the following: (1) reservation by the City of use and occupancy of the surface area of the vacated right-of-way for public vehicular and pedestrian access throughout the duration of the lease term, including restrictions on building, parking, and obstructions within the leased premises; (2) lump sum upfront payment by lessee of \$2000.00 for lease of the vacated right-of-way, which amount represents the fair market rental rate for the property subject to the afore-mentioned reservation for public access, as determined by the City's Real Estate Division; (3) lessee responsibility for snow and ice removal of the leased premises, and City Public Works responsibility for repair and maintenance of the surface area of the leased premises; (4) termination of lease agreement for default following notice and right to cure, and termination in part or in whole upon destruction or damage to the adjoining buildings. The City's Drainage Review Committee discussed alternatives for improving stormwater drainage in the E/W alley

at its June 15, 2011, meeting. Alternatives for improvements and funding sources are currently being explored with a final recommendation to be determined later this summer.

The resolution shall further authorize and direct the City's Real Estate Division Manager to negotiate and execute minor and unsubstantial amendments to the Lease Agreement and to return major amendments to Council for consideration and approval.

PREVIOUS COUNCIL ACTION(S):

Date: June 13, 2011

Roll Call Number: 11-0988

Action: On vacation and lease of alleys adjoining 1312 and 1408 Locust Street to Westgate Partnership, LLC, subject to conditions (6-27-11). Moved by Hensley to adopt and refer to the City Manager to report on water problems at the location. Motion Carried 7-0.

Date: May 23, 2011

Roll Call Number: 11-0886

Action: Regarding request from Westgate Partnership, LLC for vacation of two segments of north/south alley between 14th and 15th Street from Locust Street to east/west alley, subject to conditions. Moved by Hensley to receive, file and refer to the Engineering Department, Real Estate Division. Motion Carried 7-0.

Date: January 10, 2011

Roll Call Number: 11-0033

Action: Regarding preliminary terms of agreement with Westgate Partnership, LLC (Jack Hatch, Officer) for assistance with renovation of 1408 Locust Street. (Council Communication No. 11-021) Moved by Mahaffey to receive and file, and to authorize the City Manager to negotiate a development agreement with Westgate Partnership, LLC upon terms consistent with Council Communication No. 11-021 to be presented for consideration for approval by the City Council upon a future date. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Plan & Zoning

Date: May 11, 2011

Resolution Number: 11-2011-1.05

Action: Request from Westgate Partnership, LLC for vacation of two segments of north/south alley between 14th and 15th Street from Locust Street to east/west alley, subject to conditions.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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