

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b>	October 24, 2011
	<b>Agenda Item No.</b> <b>Roll Call No.</b> <b>Communication No.</b> <b>Submitted by:</b>	<b>59</b> <b><u>11-1832</u></b> <b><u>11-670</u></b> <b>Terrance N. Vorbrich, Acting Economic Development Administrator</b>

**AGENDA HEADING:**

Receipt of informal offer to purchase 801 University Avenue (formerly occupied by Top Value Foods) for \$1.2 million.

**SYNOPSIS:**

Receive and file informal offer from Community Foundation of Greater Des Moines, Simon Cotran, and Des Moines Area Community College to purchase 801 University Avenue for \$1.2 million and refer to the City Manager and City Attorney for preparation of sale documents.

**FISCAL IMPACT:**

Amount: The City will receive \$1.2 million for the sale of the property

Funding Source: HUD Section 108 loan to be paid; does not impact City funds

**ADDITIONAL INFORMATION:**

The City has been working diligently to achieve the successful redevelopment of 801 University for several years. The property was formerly the home of Top Value Foods. It has been the City’s intent to see the property purchased and redeveloped in a manner that provides direct benefit, value and services to the surrounding neighborhoods. The submittal of the purchase offer by the Community Foundation, Mr. Cotran and DMACC, for the 801 University site, fulfills this intent. The proposed uses for the building are the Evelyn Davis Training Center, as well as a grocery store and other retail uses. Active work is underway to achieve financing commitment for a grocery store use.

The proceeds from the sale of the property will be used to defease the outstanding balance of the HUD Section 108 loan on the building, relieving the City of an annual payment obligation of \$195,000.

**PREVIOUS COUNCIL ACTION(S):**

Date: March 8, 2010

Roll Call Number: 10-133

Action: [Extension](#) of time to negotiate a contract for sale and redevelopment of 801 University Avenue (formerly occupied by Top Value Foods). ([Council Communication No. 10-133](#)) **Moved by Griess to extend the time allowed to complete negotiations with the Preferred Developer on a contract for the sale and redevelopment of 801 University Avenue until March 31, 2010. Motion Carried 7-0.**

Date: December 21, 2009

Roll Call Number: 09-2306

Action: [Approving](#) City Manager recommendation on redevelopment proposal for 801 University Avenue, (former Top Value Foods). ([Council Communication No. 09-890](#)) **Moved by Vlassis to receive and file, and to direct the City Manager to proceed with the negotiation of a contract with the preferred redeveloper for the disposition and redevelopment of the property upon terms consistent with the Letter of Intent to Redevelop Property and the recommendation set forth in the accompanying Council Communication; refer to the City Manager to work with the other developer to find alternate locations for their project. Motion Carried 7-0.**

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

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

Approval of final documents to formalize sale of 801 University.

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