

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: July 9, 2012
	Agenda Item No. 35 Roll Call No. <u>12-1124</u> Communication No. <u>12-371</u> Submitted by: Jeb E. Brewer, P.E., City Engineer

AGENDA HEADING:

Continued hearing for conveyance by installment contract of City-owned property at 1740 Garfield Avenue (Logan Community Center) to Joshua Christian Academy, Inc. for \$100,000.

SYNOPSIS:

Recommend approval for conveyance by installment contract of City-owned property at 1740 Garfield Avenue (Logan Community Center) to Joshua Christian Academy, Inc., Chris Hurley, JCA Board of Directors, 1552 Maple Street, Des Moines, Iowa, 50316, for \$100,000 by installment contract over a two-year period. This action is required by Iowa law prior to making a final determination of the proposed sale by resolution. There is no current or anticipated public need for this property, and the conveyance of this property will help reduce the City’s cost of ownership of excess property.

FISCAL IMPACT:

Amount: \$100,000 (Revenue)

Funding Source: Sale proceeds will be deposited into the Property Maintenance Endowment Fund, SP767, ENG980500. The first \$175,000 of annual proceeds to the Property Maintenance Endowment Fund will be returned to the General Fund (GE001, ENG040700) to offset the operating budget of the Engineering – Real Estate Division.

ADDITIONAL INFORMATION:

Joshua Christian Academy, Inc (JCA) is requesting to purchase the Logan Community Center for the academy’s use as a school facility. Their desire is to acquire the property soon in order to make necessary renovations prior to the start of the 2012/2013 school year. JCA, which was established in 2009, is a private learning academy serving grades kindergarten through sixth. JCA is currently located at 3415 3rd Street with an enrollment of 50 students. The enrollment for the upcoming school year is currently at 71, resulting in a need to add classroom space.

The City’s Real Estate staff and Joshua Christian Academy, Inc. are negotiating the terms of a real estate purchase installment contract for the proposed conveyance in which the purchase price would be paid over a two (2) year period with a down payment of \$50,000 and two (2) additional payments of \$25,000 each. The purchase price of \$100,000 reflects the fair market value of the property in “as-is” condition as estimated by the City’s Real Estate Division. The Buyer will need to expend an estimated minimum of \$189,000 for repairs to the property, which include repair or replacement of the HVAC system, fire alarm panels, elevator and windows. JCA’s possession of the property is contingent upon

the following: 1) completion of fundraising and delivery of the initial contract payment of \$50,000; 2) documentation showing financial capability to operate and maintain the property; and 3) documentation showing JCA's non-profit status has been reinstated.

In addition to the above conditions prior to possession, JCA is also required to cooperate with other viable non-profit service providers for use of the property to support evening, weekend and summer programs to area residents, during the term of the real estate installment purchase agreement. Specifically they are in negotiations with Champs Enrichment Program which runs a youth girls basketball program and would like to provide health services to uninsured and under-insured families. Additionally, JCA is also negotiating with Lifeline Youth Foundation to provide programming for youth as well in conjunction with Champs Enrichment Program. This was a desired outcome from those present at a public meeting held on May 17, 2012.

On July 5, 2012, City staff held another public meeting to give neighborhood residents and other interested parties the opportunity to ask any additional questions about the proposal. Neighborhood association members expressed concerns about ongoing maintenance of the building, providing programming or resources for neighborhood youth, and a desire for JCA to be an active participant in the neighborhood and neighborhood association. City staff and JCA representatives reviewed the contract provisions that address building maintenance and use of the property by other service providers. JCA representatives also stated that they planned to be an active participant in the neighborhood. Parks staff stated that they could explore the possibility of offering additional programming in the MLK Jr. Park and Shelter as well. This may take place as part of the neighborhood planning process, which begins in 2013. The neighborhood association was asked to determine their position on the proposed sale to JCA before the Council meeting on Monday, July 9.

Staff has contracted with Smith Metzger Architects to study the use of Logan Community Center for potential reuse for the Housing Services Department consolidation as requested by the Council. The results of this space and cost analysis were presented at the City Council Workshop on Monday, June 25th. The cost estimates to renovate from a school-community center configuration to office use is nearly \$6 million. Due to the special constraints and costs, staff does not see a need to keep the facility for City purposes.

In addition to the above information, attached to the roll call is a timeline of the City's activity and public meetings that have been held over the past few years with regards to the potential use of the Logan Community Center.



PREVIOUS COUNCIL ACTION(S):

Date: June 25, 2012

Roll Call Number: [12-1039](#)

Action: [On](#) conveyance by installment contract of 1740 Garfield Avenue (Logan Community Center) to Joshua Christian Academy, Inc., \$100,000 ([Council Communication No. 12-343](#)). Moved by Mahaffey to continue to July 9, 2012 at 5:00 PM; refer to the City Manager to work with Joshua Christian Academy on the contract terms, and to collaborate with other interested parties. Motion Carried 7-0.

Date: June 11, 2012

Roll Call Number: [12-0885](#)

Action: [On](#) conveyance by installment contract of 1740 Garfield Avenue (Logan Community Center) to Joshua Christian Academy, Inc., \$100,000, (6-25-12). ([Council Communication No. 12-306](#)). Moved by Hensley to adopt. Motion Carried 7-0.

Date: May 7, 2012

Roll Call Number: [12-0743](#)

Action: [Receipt](#) of proposal from the Joshua Christian Academy to purchase the Logan Community Center, 1740 E. Garfield Avenue. ([Council Communication No. 12-232](#)). Moved by Mahaffey to receive and file such proposal and refer to the City Manager to negotiate an Offer to Purchase Logan Community Center with the Joshua Christian Academy and to authorize the City Manager to submit an application to the Zoning Board of Adjustment to obtain a building set back variance; refer to the City Manager to work with all interested parties and the neighborhood on options for the building including use by the Housing Services Department. Motion Carried 7-0.

Date: September 12, 2011

Roll Call Number: [11-1584](#)

Action: [City](#) Manager o negotiate and execute a short term lease with Life Line Youth Foundation for space at Logan Community Center. ([Council Communication No. 11-594](#)). Moved by Mahaffey to adopt. Motion Carried 7-0

Date: February 14, 2011

Roll Call Number: [11-0260](#)

Action: [Termination](#) of Lease and Management Agreement with the Boys and Girls Club of Central Iowa for Logan Community Center effective February 28, 2011. ([Council Communication No. 11-072](#)). Moved by Mahaffey to adopt; refer to City Manager to consider options for use of the building. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Zoning Board of Adjustment

Date: May 23, 2012

Resolution Number: ZON 2012-0081

Action: Variance of setbacks; that any school within a Residential zoning district shall be setback at least 35 feet from any property line, to allow division of the property into two parcels to allow sale of the western portion of the property, including a 2-story structure, for a school use, is granted so long as any renovation of the building is in compliance with current Building Codes with issuance of any necessary permits by the Permit and Development Center. The foregoing Decision and Order was adopted by a vote of 6-0.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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