 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: July 15, 2013
	Agenda Item No. 63 Roll Call No. <u>13-1158</u> Communication No. <u>13-376</u> Submitted by: Matthew A. Anderson, Assistant City Manager and Jeb E. Brewer, P.E., City Engineer

AGENDA HEADING:

Resolution approving Real Property Exchange and Grant Agreement with Clear Channel Outdoor, Inc. (CCO) and authorizing acquisition of property located at 849 Army Post Road.

SYNOPSIS:

Recommend approval of Real Property Exchange and Grant Agreement with CCO (Iowa Division, Jason Pomrenke, 4131 109th Street, Urbandale, IA 50322). City staff has negotiated an agreement to acquire CCO’s property at 849 Army Post Road, in exchange for 20 year lease extensions for two (2) excess City-owned properties that have been leased for billboard purposes. The leased properties are located at 227 63rd Street, which CCO has been leasing since 1995; and the other parcel is located on the west side of I-235, north of Hull Avenue, which CCO has been leasing since 1981. Approval of the property exchange agreement is required for commercial redevelopment of the northeast corner of Army Post Road and SW 9th Streets, which has been vacant for approximately 10 years.

FISCAL IMPACT: NONE

ADDITIONAL INFORMATION:

The purpose of the acquisition of CCO’s property at 849 Army Post Road is for commercial redevelopment of the northeast corner of Army Post Road and SW 9th Streets, which has been vacant for approximately 10 years. The highest and best use of the property is for assemblage with the adjoining commercial property to the north to allow for a larger commercial redevelopment project. The City’s Office of Economic Development and Real Estate Division are working on the redevelopment of the property and anticipate bringing a proposal to City Council following the City taking possession of the property. In the event that the adjoining commercial property is unable to be included in the redevelopment, the CCO property will be used by the City for greenspace and/or sold for smaller-scale redevelopment.

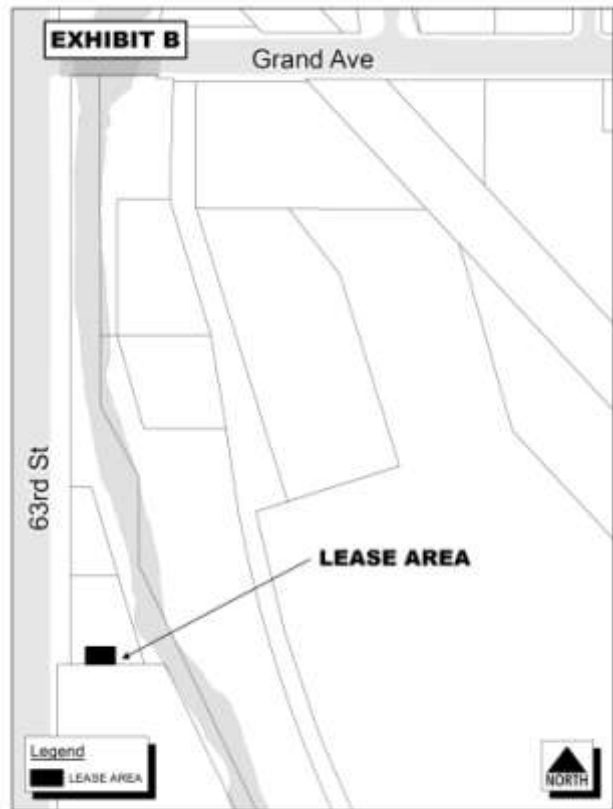
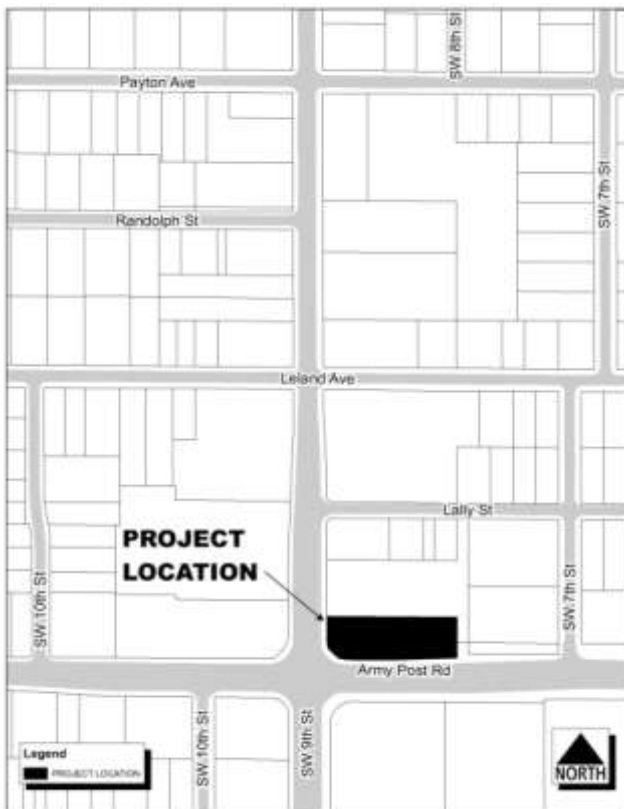
CCO has been leasing excess City-owned property at 227 63rd Street since 1995 and another parcel located on the west side of I-235, north of Hull Avenue, since 1981. Both leases are expired and CCO has offered to sell their property at 849 Army Post Road to the City, in exchange for 20 year lease extensions for the existing billboards at the above locations. At the end of the 20 year lease periods, the City will have the option to renew or terminate the leases, at the City’s discretion. If the City chooses to terminate the leases at the end of the 20 year term, CCO is required to remove the billboards at their expense.

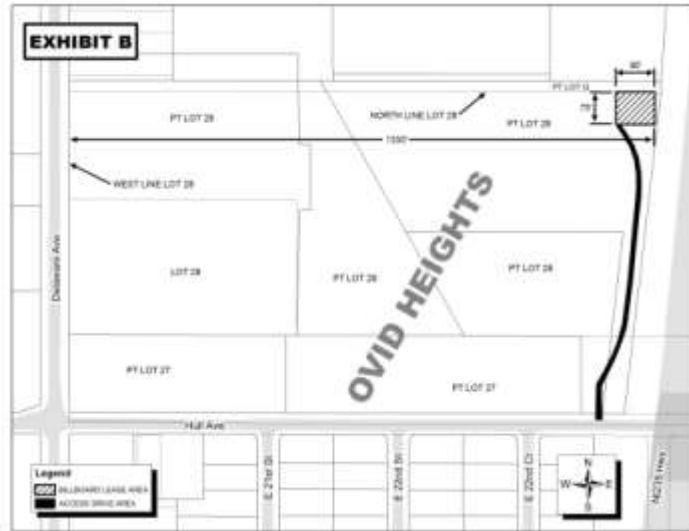
In addition to the above lease extensions, the acquisition of CCO’s property will be subject to easements to allow the existing billboard off Army Post Road at this location to remain in place, including a vision clearance easement and access easement to maintain the billboard. These easements will not have an adverse impact on the future redevelopment of the site.

The estimated value of the lease extensions is \$220,000, which is equal to the estimated fair market value of CCO’s property at 849 Army Post Road. Due to the equal value of property interests to be exchanged, no funds will be required to complete this transaction. In addition, CCO has agreed to perform the following work on their property at 849 Army Post Road, prior to closing on the sale by the City:

- 1) Remove existing underground hydraulic oil tanks that were discovered on the property, at their cost, and subject to Iowa DNR requirements and the City’s satisfaction.
- 2) Remove all existing hard surfaces to the back of sidewalk, backfill, regrade, and seed the property to create an acceptable temporary greenspace until redevelopment occurs.
- 3) Closure of remaining monitoring well(s) on the CCO site, at CCO cost and subject to Iowa DNR requirements and the City’s satisfaction.

The above work by CCO and closing is expected to be completed by November 30, 2013. The City has also hired a consultant to perform a Phase 1 environmental assessment on the City’s behalf following CCO’s completion of the above work and prior to closing on the property acquisition.





PREVIOUS COUNCIL ACTION(S):

Date: July 25, 2011

Roll Call: [11-1327](#)

Action: [Receive](#) request from Clear Channel Outdoor to consider the City's acquisition of property at 849 Army Post Road. Sponsor: Meyer. Moved by Meyer to adopt. Motion Carried 7-0.

Date: May 7, 2007

Roll Call: [07-917](#)

Action: [Receive](#) and file Des Moines Southside Revitalization Plan (March 2006) and communication from South Side Revitalization Partnership regarding implementation strategy priorities. ([Council Communication No. 278](#)) Moved by Meyer to approve and to refer to the City Manager for action, as appropriate. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Hold hearing on July 29, 2013 for approval of the amended and restated billboard leases located on excess City-owned property.

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