 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> July 28, 2014
	<b>Agenda Item No.</b> 42 <b>Roll Call No.</b> <u>14-1162</u> <b>Communication No.</b> <u>14-366</u> <b>Submitted by:</b> <b>Jeb E. Brewer, P.E., City Engineer, and Matthew A. Anderson, Assistant City Manager</b>

**AGENDA HEADING:**

Continued hearing for sale of City-owned property in the vicinity of SE 6th Street and Shaw Street to Hansen Real Estate Services, Inc. for \$251,350.

**SYNOPSIS:**

Recommend approval for sale of City-owned property in the vicinity of SE 6th Street and Shaw Street to Hansen Real Estate Services, Troy W. Hansen, President, 5665 Greendale Road, Suite A, Johnston, Iowa, 50131, for \$251,350. 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 this property.

Hansen Real Estate Services, Inc., on behalf of its successor entity Eagle View Lofts, LLC, is proposing development of up to 132 market rate and/or mixed income dwelling units within one (1) or more structures. The percentage of mixed income units is subject to the requirements of any state or federal funding that is received by the developer.

**FISCAL IMPACT:**

Amount: \$251,350 (Revenue)

Funding Source: Non-project related land sale proceeds are used to support general operating budget expenses: Org – EG064090

**ADDITIONAL INFORMATION:**

The requested City-owned property includes a portion of the property vacated by Ordinance No. 15,285, approved on May 19, 2014 by Roll Call No. 14-0788, excluding the area dedicated as parkland for relocation of Allen Park.

On May 19, 2014, by Roll Call No. 14-0759, City Council received and filed a communication from Hansen Real Estate Services, Inc., dated April 23, 2014, regarding a developer-initiated proposal for development of approximately 90 market-rate dwelling units within five (5) total structures on City and Wastewater Reclamation Authority (WRA) owned excess property. Council referred the matter to the City Manager to coordinate appraisal services and negotiations for the sale and redevelopment of this area, to obtain Urban Design Review Board review and WRA input.

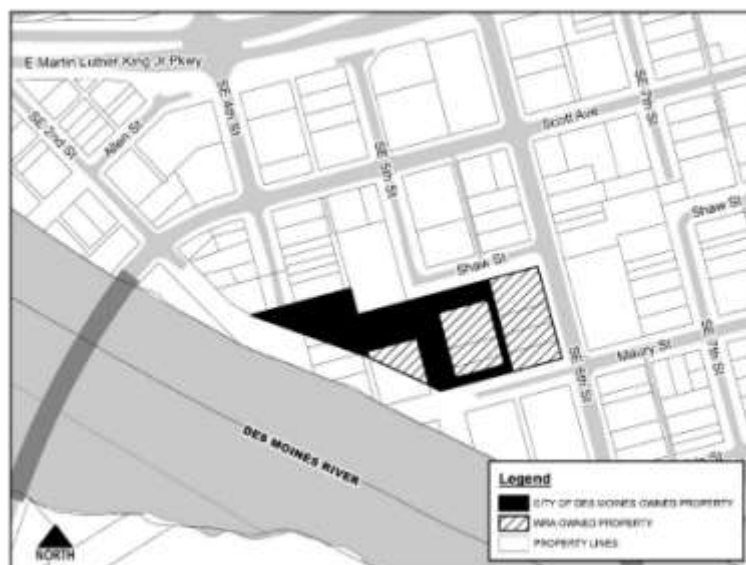
On July 15, 2014, by WRA Board Resolution No. 14-95 the WRA Board approved the sale of the adjoining WRA-owned property to Hansen Real Estate Services, Inc., subject to the conditions listed below, for the proposed project.

Hansen Real Estate Services, Inc., on behalf of successor entity Eagle View Lofts, LLC, has offered to the City the purchase price of \$251,350, which is the fair market value of the property as determined by an independent appraisal. The City-owned property consists of approximately 76,166-square-foot or 1.75 acres. The closing on the proposed sale will be subject to: (1) approval of rezoning of the property as required for the proposed development; (2) Urban Design Review Board review; (3) buyer receiving financing for the proposed project; (4) concurrent closing by buyer on the sale of the adjoining property from the WRA.

The developer's original proposal dated April 23, 2014, was for a 90 unit market-rate project within five (5) buildings. Since the date of the original proposal, the developer has submitted an application to the City of Des Moines to request that the City forward the Eagles View Lofts to the Iowa Economic Development Authority to request CDBG-DR funding. CDBG-DR funding brings an infusion of \$3,000,000 to the project and requires 51% of the units to be leased to individuals with incomes at 80% or below the median income level in Des Moines. If the developer receives the CDBG-DR funding, the project changes from market-rate to mixed-income for a 10-year period of affordability. For a one-person household, 80% of median income is below \$41,950 annually.

In addition, the developer has changed their proposal from 90 units within five (5) buildings to a 132 unit project within one (1) building, which was necessary to accommodate existing utilities that encumber the property. The CDBG-DR funding also adds Davis-Bacon wage requirements and Green Streets Energy standards.

The City Council is scheduled to review all Des Moines proposals submitted for CDBG-DR funding at its August 25<sup>th</sup> meeting. The City Council may forward two (2) proposals to the Iowa Economic Development Authority for its consideration of funding. The IEDA awards the funding to the City of Des Moines for the designated projects. Approval of this agenda item, does not guarantee that the Eagle View Lofts will be one of the projects chosen to forward to the IEDA for funding.



**PREVIOUS COUNCIL ACTION(S):**

Date: July 14, 2014

Roll Call Number: [14-1100](#)

Action: [On](#) sale of City-owned property in the vicinity of SE 6th Street and Shaw Street to Hansen Real Estate Services, Inc., \$3.30 per square foot and to continue to July 28, 2014 at 5:00 PM. Moved by Gatto to adopt. Motion Carried 7-0.

Date: July 14, 2014

Roll Call Number: [14-1057](#)

Action: [On](#) request from Hansen Real Estate Services, Inc. to rezone property owned by City of Des Moines and Wastewater Reclamation Authority in the vicinity of 714 SE 6th Street from “R1-60” (One Family Low-Density Residential) and “M-1” (Light Industrial) to “D-R” (Downtown Riverfront) to allow development up to a six story, 132 unit multiple-family dwelling, (7-28-14). Moved by Hensley to adopt. Motion Carried 7-0.

Date: June 23, 2014

Roll Call Number: [14-0950](#)

Action: [On](#) sale of City-owned property in the vicinity of SE 6th Street and Shaw Street, to Hansen Real Estate Services, Inc., \$3.30 per square foot, (7-14-14). Moved by Hensley to adopt. Motion Carried 5-2.

Date: May 19, 2014

Roll Call Number: [14-0788](#)

Action: [Final](#) consideration of ordinance above (waiver requested by the Park & Recreation Director), requires six votes. Moved by Gatto that the rule requiring that an ordinance must be considered and voted on for passage at two Council meetings prior to the meeting at which it is to be finally passed be suspended, that the ordinance be placed upon its final passage and that the ordinance do now pass, [#15,285](#). Motion Carried 7-0.

Date: May 19, 2014

Roll Call Number: [14-0759](#)

Action: [Receive](#) and file communication from Hansen Real Estate Services, Inc. regarding developer-initiated proposal for excess City and Wastewater Reclamation Authority-owned property located north of the Des Moines River, west of SE 6th Street and south of Shaw Street for development of approximately 90 market-rate dwelling units. Moved by Hensley to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S):**

Board: City Plan and Zoning Commission

Date: July 17, 2014

Resolution Number: 21-2014-4.07

Action: Request from Eagle View Lofts, LLC (as successor to Hansen Real Estate Services, Inc.), (purchaser) represented by Troy Hansen (officer) to rezone approximately four (4) acres of City of Des Moines and Wastewater Reclamation Authority owned property located in the vicinity of 714 Southeast 6th Street.

Board: Des Moines Metropolitan Wastewater Reclamation Authority (WRA)

Date: July 15, 2014

Resolution Number: 14-95

Action: Resolution regarding hearing for sale and conveyance of WRA-owned property in the vicinity of SE 6th Street and Shaw Street to Hansen Real Estate Services, Inc. for \$276,620.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the first floor of City Hall, 400 Robert D. Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to [cityclerk@dmgov.org](mailto:cityclerk@dmgov.org).