 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	March 23, 2015
	Agenda Item No.	47
	Roll Call No.	<u>15-535</u>
	Communication No.	<u>15-146</u>
	Submitted by:	Pamela S. Cooksey, P.E., City Engineer

AGENDA HEADING:

Hold hearing for vacation of air space and subsurface rights within East Grand Avenue and subsurface rights within East 4th Street adjoining 401 East Grand Avenue, and for conveyance of easements to Iowa Machine Shed Company for \$6,093.

SYNOPSIS:

Recommend approval for vacation and conveyance of such easements to Iowa Machine Shed Company, Kirk Whalen, Vice President, 1501 River Drive, Moline, Illinois, 61265, for the purpose of constructing and maintaining a six-story AC Marriot Hotel with underground and surface parking on the real property locally known as 401 East Grand Avenue. There is no known current or future public need for the easement areas to be vacated and conveyed. This action is required by Iowa law prior to making a final determination on the proposed sale by resolution.

FISCAL IMPACT:

Amount: \$6,093 (Revenue)

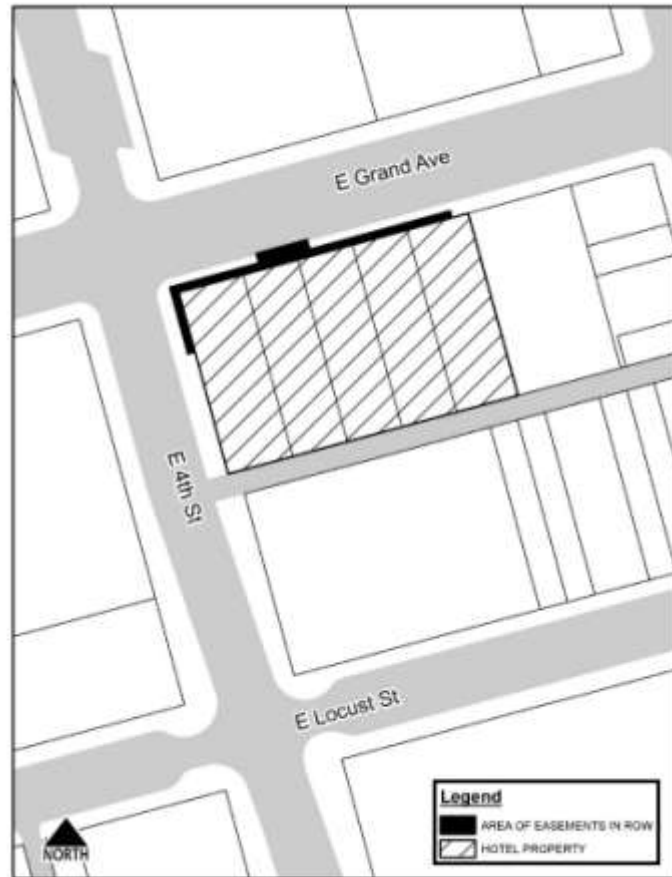
Funding Source: Non-project related land sale proceeds are used to support general operating budget expenses: Org – EG064090

ADDITIONAL INFORMATION:

On March 9, 2015, by Roll Call No. 15-0423, Iowa Machine Shed Company entered into an Urban Renewal Agreement with the City of Des Moines for the redevelopment of City-owned property located at 409-423 East Grand, which parcels have since been combined into a single tax parcel with a new address of 401 East Grand Avenue. The Urban Renewal Agreement includes the purchase of the real property locally known as 401 East Grand Avenue, which property abuts the City right-of-way along East 4th Street adjoining 401 East Grand Avenue. The redevelopment includes the construction of a six-story AC Marriot Hotel. The air space easement is required for building overhang elements and canopy. The subsurface encroachment easement is required for construction footings.

Iowa Machine Shed Company has offered to the City of Des Moines the purchase price of \$6,093 for the vacation of the City right-of-way and purchase of an air space easement interest in portions of East Grand Avenue right-of-way consisting of 559-square-feet, and subsurface encroachment easement interests in the East Grand Avenue and East 4th Street rights-of-way consisting of 1,245-square-feet, which purchase price reflects the fair market value of the easements as currently estimated by the City's Real Estate Division.

The vacation and conveyance of the above described easements is subject to Iowa Machine Shed Company closing on and providing proof of ownership of the real property located at 401 East Grand Avenue, and further subject to the requirements of the City Plan and Zoning Commission recommendation dated December 12, 2014 and presented to the Des Moines City Council on December 22, 2014.



PREVIOUS COUNCIL ACTION(S):

Date: March 9, 2015

Roll Call Number: [15-0423](#) and [15-0424](#)

Action: [On](#) Urban Renewal Agreement for sale of land for private redevelopment with Iowa Machine Shed Co., for the sale and redevelopment of Disposition Parcel 13-1 at 401 East Grand Avenue in the Metro Center Urban Renewal Project. ([Council Communication No. 15-118](#)) Moved by Gatto to adopt. Motion Carried 7-0.

- (A) [Setting](#) date of hearing on vacation of air space and subsurface rights within East Grand Avenue and subsurface rights within East 4th Street adjoining 401 East Grand Avenue and for conveyance of easements to Iowa Machine Shed Co., \$6,093, (3-23-15). Moved by Gatto to adopt. Motion Carried 7-0.

Date: December 22, 2014

Roll Call Number: [14-1928](#)

Action: [Regarding](#) a request from Iowa Machine Shed Company (Purchaser/Developer) for vacation of air, surface and subsurface rights within East 4th Street adjoining 409-423 East Grand Avenue. Moved by Hensley to receive and file the communication from the Plan and Zoning Commission. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Plan and Zoning Commission

Date: December 4, 2014

Resolution Number: 11-2014-1.16

Action: [Request](#) from Iowa Machine Shed Company (purchaser/developer) represented by Kirk Whalen (officer) for the following actions related to the redevelopment of property located at 409-423 East Grand Avenue. The subject property is owned the City of Des Moines.

- A) Vacation of the air rights within a portion of the south 14.17 feet of East Grand Avenue, adjoining the subject property; vacation of the surface rights within a portion the south 3.25 feet of East Grand Avenue, adjoining the subject property; and vacation of the subsurface rights within the south 5 feet of East Grand Avenue and within a portion of the east 5 feet of East 4th Street, adjoining the subject property. (11-2014-1.16)
- B) Review and approval of a Site Plan “Heart of America Marriott AC Hotel” under design guidelines in C-3B Districts to allow development of a 6-story hotel with 108 guestrooms; a 3,000-square foot, 6th floor lounge; 51 subsurface parking spaces and 16 surface parking spaces. (10-2015-7.62)

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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