

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	September 28, 2015
	Agenda Item No.	32
	Roll Call No.	<u>15-1617</u>
	Communication No.	<u>15-522</u>
	Submitted by:	Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Resolution approving preliminary terms of agreement with Hurd Land Company, LLC for the purchase of City-owned land at 849 Army Post Road.

SYNOPSIS:

On August 10, 2015, by Roll Call No. 15-1353, City Council approved to receive and file an offer to purchase land owned by the City of Des Moines from Hurd Land Company, LLC (Richard Hurd, Manager, 2000 Fuller Road, West Des Moines, Iowa 50265) The property is located at 849 Army Post Road and will be assembled with land already owned by the company at 6305 SW 9th Street and 812 Lally Street to create a larger retail development parcel.

The Office of Economic Development has negotiated preliminary terms of a development agreement with Hurd Land Company, LLC that will provide for the purchase of land at fair market value and an Economic Development Grant to be provided to the company from the land sale proceeds.

FISCAL IMPACT:

Amount: Land will be sold for fair market value at \$260,000; \$40,000 will be rebated back to the developer at the time of sale.

Funding Source: Land sale proceeds; Economic Development Enterprise Account

ADDITIONAL INFORMATION:

The City acquired the 849 Army Post Road site in July 2013 for the purpose of facilitating its redevelopment. The location has been a high priority site for south side neighborhoods and business owners, including the Friends of SW 9th and the SW 9th Merchants Association.

The City began working with Clear Channel Outdoor (Iowa Division, Jason Pomrenke, 4131 109th Street, Urbandale, IA 50322) and Hurd Land Company LLC in 2008 in an effort to facilitate redevelopment of 849 Army Post Road and adjacent properties. With the 2013 City acquisition, all hard surfaces, underground tanks, monitoring wells and other remnants of prior uses were addressed or removed by the prior owner, and grading and seeding were completed on the site.

Hurd Land Company, LLC has been conducting additional work to clear and prepare adjacent properties to move forward with acquisition and development of 849 SW 9th Street. A significant action by the company was the removal of the former Mama Lacona’s building north of the 849 Army

Post site. Hurd Land Company, LLC plans to market the assembled properties to commercial tenants, which is the primary market for the company. They have worked for several decades to establish multiple successful retail development sites throughout the Des Moines and the greater metropolitan area, including SE 14th Street and most recently Ingersoll Avenue.

The company will be asked as part of the preliminary terms of agreement for the land sale to submit a site plan for City review on the redevelopment of the property by December 31, 2016. In the event that the property is being actively marketed, an extension of up to one additional year may be requested by the company.

PREVIOUS COUNCIL ACTION(S):

Date: August 10, 2009

Roll Call Number: [15-1353](#)

Action: [Receive](#) and file proposal to purchase City-owned property at 849 Army Post Road for redevelopment with 6305 SW 9th Street and 812 Lally Street and to direct the City Manager to negotiate preliminary terms of agreement with Hurd Land Company, LLC. ([Council Communication No. 15-450](#)) Moved by Gatto to receive and file the communication, and to direct the City Manager to negotiate preliminary terms of a development agreement with Hurd Land Company, LLC; and to direct that the proceeds be placed into a special account set up for SW 9th Street Revitalization. Motion Carried 7-0.

Date: July 15, 2013

Roll Call Number: [13-1158](#)

Action: [Real Estate Property Exchange and Grant Agreement with Clear Channel Outdoor, Inc.](#) and authorizing acquisition of property at 849 Army Post Road. ([Council Communication No. 13-376](#)) Moved by Meyer to adopt. Motion Carried 7-0.

Date: July 25, 2011

Roll Call Number: [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.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Final terms of agreement for the proposed land sale will be brought back to City Council for approval at a future meeting.

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