 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: June 13, 2016
	Agenda Item No. 59 Roll Call No. <u>16-0995</u> Communication No. <u>16-307</u> Submitted by: Pamela S. Cooksey, P.E., City Engineer

AGENDA HEADING:

Hold hearing for vacation and conveyance of an irregular portion of 6th Avenue right-of-way and an irregular portion of 5th Avenue right-of-way all adjoining 921 6th Avenue to Catholic Health Initiatives – Iowa Corporation, for \$99,556.

SYNOPSIS:

Recommend approval of the vacation and conveyance of an irregular portion of 6th Avenue right-of-way and an irregular portion of 5th Avenue right-of-way all adjoining 921 6th Avenue to Catholic Health Initiatives – Iowa Corporation, Ron Muecke, Vice President – Facilities, 1111 6th Avenue, Des Moines, IA, 50314, for \$99,556.

This action is required by Iowa law prior to making a final determination on the proposed sale by resolution. The City’s conveyance of this property will allow the buyer to assemble the land required to renovate existing facilities, add a new building and make site improvements to its adjoining property at 921 6th Avenue. There is no current or anticipated public need or benefit for this property, and this conveyance will eliminate future maintenance and liability costs for the City and will return the property to the tax rolls.

FISCAL IMPACT:

Amount: \$99,556 (Revenue)

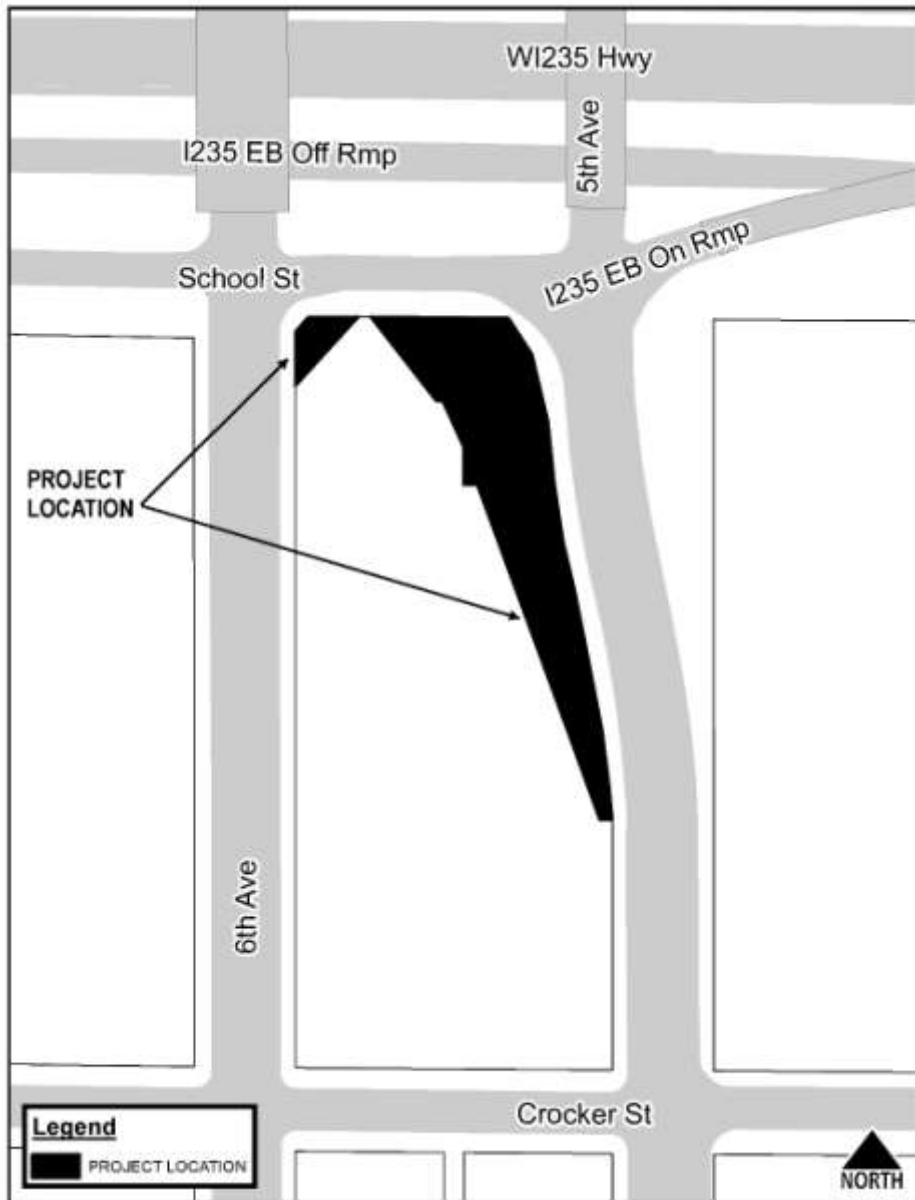
Funding Source: Non-project related land sale proceeds are used to support general operating budget expenses: Org – EG064090

ADDITIONAL INFORMATION:

- May 9, 2016, by Roll Call No. 16-0755, the City Council of the City of Des Moines, Iowa, received a recommendation from the City Plan and Zoning Commission recommending approval of a request for the vacation of an irregular portion of right-of-way from the southeast corner of School Street and 6th Avenue, and an irregular portion of right-of-way from the southwest corner of School Street and 5th Avenue, all adjoining 921 6 thAvenue, subject to the reservation of easements for all existing utilities in place until such time as they are abandoned or relocated, and subject to review and approval of a Site Plan by the City of Des Moines Plan and Zoning Commission for all related site and landscaping improvements, and further subject to a no-build restriction prohibiting construction of any structure, building or other improvement over or within the property, except for driveways, parking lots or sidewalks, and

associated improvements, so long as such improvements are both above ground and do not interfere in any way with the utilities on the Property.

- Catholic Health Initiatives – Iowa Corporation, an affiliate of Mercy Properties, the owner of 921 6th Avenue, has offered to the City the purchase price of \$99,556 for the irregular portion of street right-of-way adjoining 921 6th Avenue for incorporation into the adjoining commercial property to allow for expansion of the existing site improvements.
- The property to be conveyed consists of approximately 23,425 square feet, and the purchase price of \$99,556 is equal to the estimated restricted-use fair market value of the property as determined by the City’s Real Estate Division. There is no current or anticipated public need for this property, and the City’s conveyance of this property will eliminate future maintenance and liability costs for the City, and will return the property to the tax rolls.
- The closing of this transaction is contingent upon the following conditions:
 1. The Buyer has provided documentation satisfactory to the City Manager or his designee, demonstrating that Buyer has entered into a ground lease of the adjoining property at 921 6th Avenue to College Hill Associates, L.P.
 2. College Hill Associates, L.P., has entered into an Urban Renewal Development Agreement with the City for the redevelopment of the property at 921 6th Avenue.
 3. College Hill Associates, L.P., has provided documentation satisfactory to the City Manager of City or his designee, demonstrating that College Hill Associates, L.P., has closed on its financing for the construction of the Improvements as required by the Urban Renewal Development Agreement, or will be closing on such financing concurrently with the closing on the conveyance of the vacated right-of-way to Catholic Health Initiatives - Iowa, Corp.



PREVIOUS COUNCIL ACTION(S):

Date: May 23, 2016

Roll Call Number: [16-0844](#)

Action: On vacation and conveyance of an irregular portion of 6th Avenue right-of-way and an irregular portion of 5th Avenue right-of-way, all adjoining 921 6th Avenue to Catholic Health Initiatives – Iowa Corporation, \$99,556, (6-13-16). Moved by Gatto to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Plan and Zoning Commission

Date: April 21, 2016

Resolution Number: 11-2016-1.09

Action: [Recommend](#) approval of a request from Catholic Health Initiatives - Iowa Corporation (owner), represented by Ron Muecke (officer), for review and approval of a request for vacation of an irregular portion of Right-of-Way from the southeast corner of School Street and 6th Avenue, and an irregular portion of Right-Of-Way from the southwest corner of School Street and 5th Avenue, all adjoining the subject property at 921 6th Avenue, to allow for site expansion of the subject property subject to the following conditions:

1. Reservation of any necessary easements for all existing utilities in place until such time that they are abandoned or are relocated;
2. Review and approval of a Site Plan by the City's Plan and Zoning Commission for all related site and landscaping improvements.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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