 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b>	May 22, 2017
	<b>Agenda Item No.</b>	<b>54</b>
	<b>Roll Call No.</b>	<b><u>17-0900</u></b>
	<b>Communication No.</b>	<b><u>17-443</u></b>
	<b>Submitted by:</b>	<b>Pamela S. Cooksey, P.E., City Engineer</b>

**AGENDA HEADING:**

Resolution holding public hearing on sale of vacated City right-of-way adjoining 212 E. 3rd Street to H. Glass Partners, LLC for \$1,000.

**SYNOPSIS:**

Recommend approval of the sale of the portion of east/west alley right-of-way located south of and adjoining 212 E. 3rd Street to H. Glass Partners, LLC (represented by Jeremy Cortright, Paul Cownie, and Tim Rypma, 108 3rd Street, Suite 219, Des Moines, Iowa, 50309), for \$1,000, subject to easements for existing utilities and for public vehicular ingress and egress, and subject to a no-build restriction limiting the use of the property to paved vehicular access with no other improvements. 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 complete the restoration of the existing 10,500-square-foot building located at 212 E. 3rd Street in the East Village for purposes of creating upper-floor office space and ground floor restaurant or retail use. Such redevelopment and rehabilitation requires that the adjoining portion of the vacated east/west alley be restricted with a no-build easement and a public vehicular ingress and egress easement, which will prohibit the construction of any improvements thereon. There is no current or anticipated public need or benefit for this property.

**FISCAL IMPACT:**

Amount: \$1,000 (Revenue)

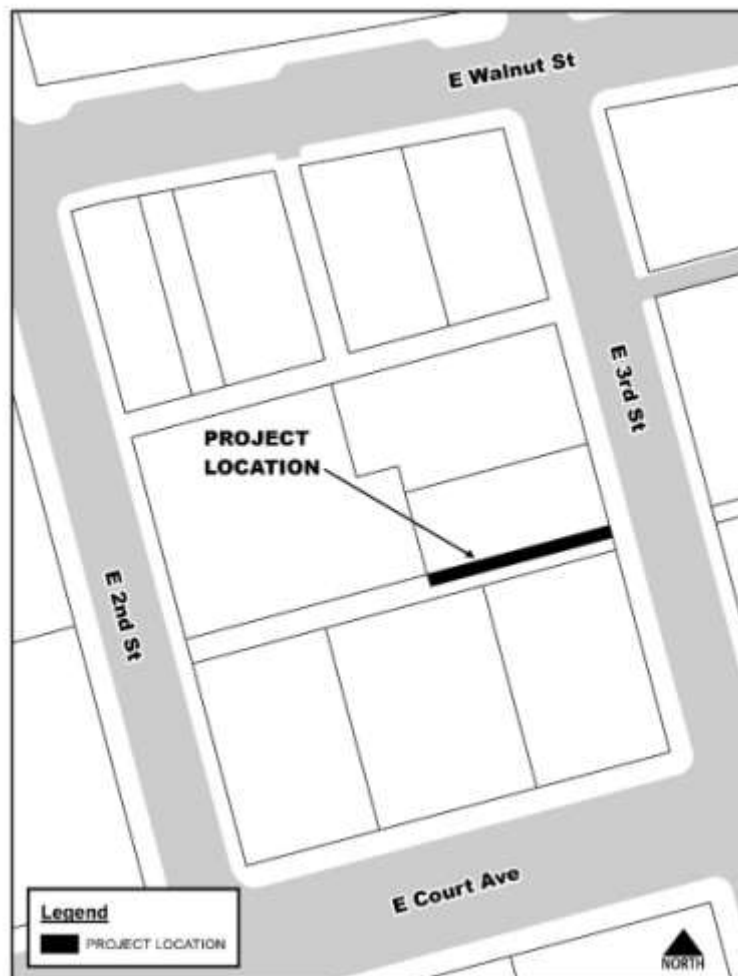
Funding Source: Non-project related land sale proceeds are used to support general operating budget expenses: Org – EG064090.

**ADDITIONAL INFORMATION:**

- On May 1, 1993, by Roll Call No. 93-703, the City Council of the City of Des Moines, Iowa, passed Ordinance No. 11,946 vacating all of the east/west alley right-of-way north of and adjoining Lots 5 through 10, and vacated alley between Lots 7 and 8, Block H, Scott and Deans Addition.
- H. Glass Partners, LLC, the owner of 212 East 3rd Street, has offered to the City of Des Moines, Iowa the purchase price of \$1,000 for the purchase of the vacated east/west alley right-of-way subject to easements for existing utilities and for public vehicular ingress and egress, and subject to

a no-build restriction limiting the use of the property to paved vehicular access without other improvements, all of which will be included in the Quit Claim Deed from City.

- The property to be conveyed consists of approximately 965 square feet, and the purchase price of \$1,000 is equal to the restricted-use fair market value of the property, as determined by the City's Real Estate Division.
- This \$2.9 million project consists of the historic renovation of a vacant warehouse building in a redeveloping area of the East Village. Proposed uses include first floor restaurant/retail space and second floor office space.
- The building will be renovated in conformance with State Historic Preservation Office standards, and is intended to be placed on the National Register of Historic Places upon project completion. Staff believes that this building contributes to the character of the Historic East Village neighborhood. Planning analysis concludes that retaining the building will not encumber the redevelopment of other portions of this large block.
- The Polk County Assessor's Office currently lists the building in "Below Normal" condition, and the property is currently only assessed at \$145,000. It is estimated that once the property is rehabilitated and reoccupied, the assessed value would increase to \$1.2 million dollars.



**PREVIOUS COUNCIL ACTION(S):**

Date: May 8, 2017

Roll Call Number: [17-0776](#) and [17-0777](#)

Action: [Development](#) Agreement with H. Glass Partners, LLC for the redevelopment of 212 E. 3rd Street and approving Conceptual Development Plan. ([Council Communication No. 17402](#)) Moved by Hensley to adopt. Motion Carried 7-0.

(A) [Setting](#) date of hearing on sale of vacated City right-of-way adjoining 212 E. 3rd Street to H. Glass Partners, LLC, \$1,000, (5-22-17). Moved by Hensley to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S): NONE**

**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 Administration Building, 400 E. Court Avenue Ste.116. 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).