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|  <div style="text-align: center;"> <h1 style="margin: 0;">Council Communication</h1> <p style="margin: 0;">Office of the City Manager</p> </div> | Date: June 25, 2018 |
| | Agenda Item No. <u>51</u> Roll Call No. <u>18-1104</u> Communication No. <u>18-336</u> Submitted by: Steven L. Naber, P.E., City Engineer |

AGENDA HEADING:

Hold hearing for vacation of a portion of E Martin Luther King, Jr. Parkway and the north-south alley right-of-way adjoining 410 SE 6th Street, and conveyance of said vacated right-of-way and other excess City-owned property adjoining 400 SE 6th Street to 400 SE 6th Street, LLC for \$102,136.

SYNOPSIS:

Recommend approval of vacation of a portion of E Martin Luther King, Jr. Parkway and the north-south alley right-of-way adjoining 410 SE 6th Street and conveyance of said vacated right-of-way and other excess City-owned property adjoining 400 SE 6th Street to 400 SE 6th Street, LLC, Jake Christensen, Member, 215 E 3rd Street, Des Moines, Iowa 50309 for \$102,136. This action is required by Iowa law prior to making a final determination on the proposed sale by resolution.

400 SE 6th Street, LLC will initially use the property to construct additional off-street parking for adjoining restaurant uses, with future plans for redevelopment of the entire block with a mixed-use commercial and/or multi-family residential housing project. Any future development of the property will be subject to the City's approval of a development plan and other conditions listed below. There is no current or anticipated public need 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: \$102,136.00 (Revenue)

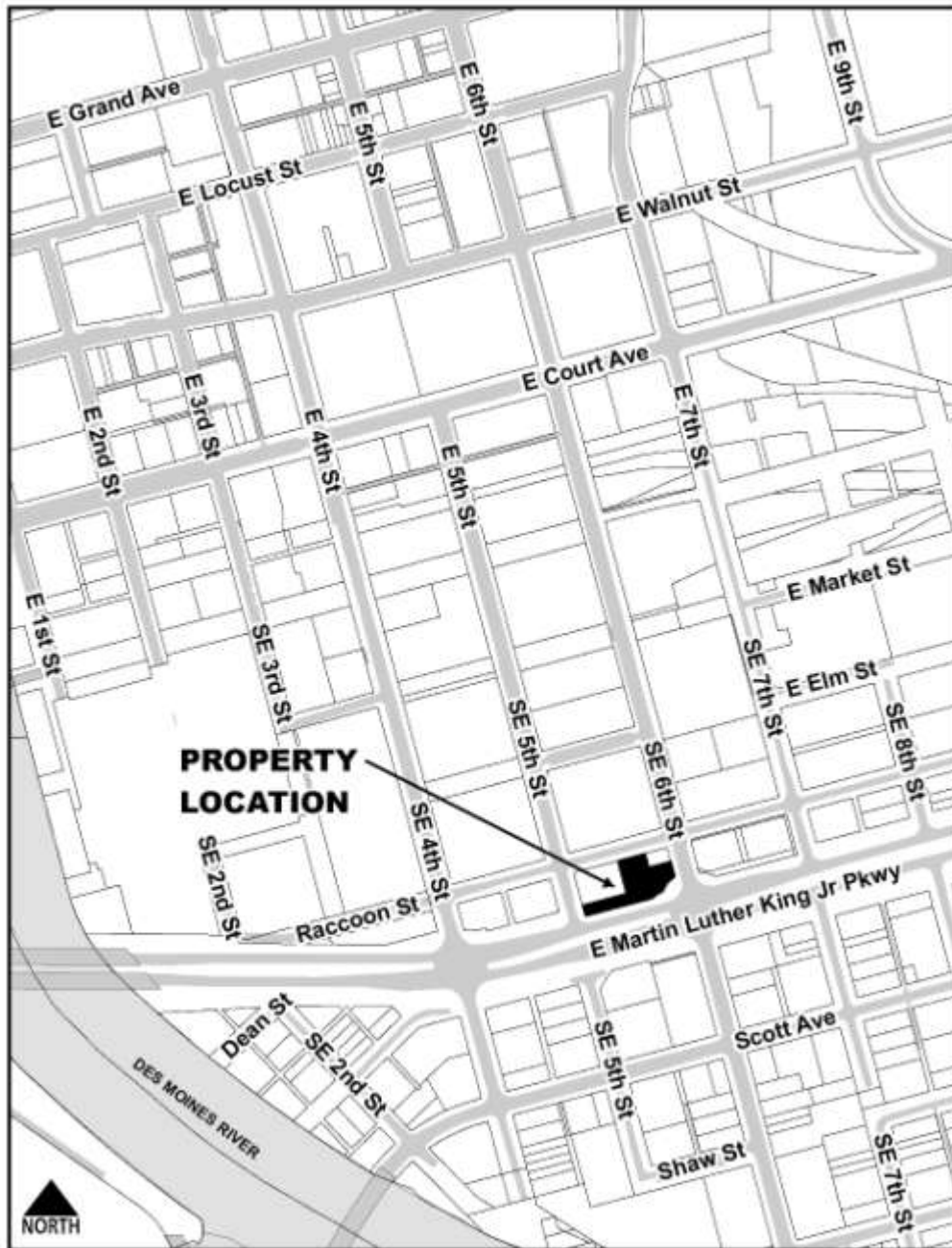
Funding Source: The Martin Luther King, Jr. Parkway Project encumbered proceeds from this sale (\$94,076) will be deposited into the Fed Title 23 Land Sales Account, ST500.

The non-project related land sale proceeds from this sale (\$8,060) will be used to support general operating budget expenses: Org – EG064090.

ADDITIONAL INFORMATION:

- On May 21, 2018, the City Council of the City of Des Moines received a recommendation from the City Plan and Zoning Commission to approve the vacation of the north 40 feet of E Martin Luther King, Jr. Parkway right-of-way and the north-south alley right-of-way lying between Raccoon Street and E Martin Luther King, Jr. Parkway, all adjoining 401 SE 5th Street and 400 SE 6th Street, subject to the following:

- Any necessary easements for all existing utilities in place shall be provided until such time they are abandoned or are relocated.
 - Any off-street parking lot constructed on the property shall be set back at least 40 feet from the resulting front property line along E Martin Luther King, Jr. Parkway.
 - Any conveyance shall be subject to approval of a redevelopment plan by City Council that includes the requested right-of-way and an adjoining property.
- The conveyance of the property is subject to the following conditions:
 - Reservation of an easement upon the property which will be included in the Quit Claim Deed from City to buyer for the continued use and maintenance of any and all utilities now in place, including but not limited to utilities for the benefit and use of the City with the right of entry for servicing same, until such time as said utilities are abandoned or relocated at buyer's sole expense following written approval of the City or applicable utility, and further subject to the reservation of a permanent easement for utility corridor.
 - Any off-street parking lot constructed on the property shall be setback at least 40 feet from the resulting north property line of E Martin Luther King, Jr. Parkway.
 - Future redevelopment of the property is subject to a City of Des Moines City Council approved redevelopment plan.
 - A No-Build restriction prohibiting the buyer from erecting any structure, building or other improvement over or within the property. This restriction shall not preclude the construction of a paved parking lot, fence, sidewalk, patio, and associated sidewalk or patio improvements, so long as such improvements are both above ground and do not interfere in any way with the utilities on the property. This no build restriction shall be released at any time after all of the following occur:
 - a) Payment to City by buyer of \$102,136, said amount being the difference between the full fair market value of the property and the restricted-use fair market value paid by buyer through this offer
 - b) Written release of said no-build restriction by the City Council
 - c) Relocation of all utilities by buyer off the property at buyer's sole expense
 - d) Approval of a redevelopment plan by the City Council
- The property to be conveyed consists of approximately 25,534 square feet, and the purchase price of \$102,136 is equal to the restricted-use fair market value of the property, as determined by an independent appraisal.
 - There is no current or anticipated public need 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.



PREVIOUS COUNCIL ACTION(S):

Date: June 11, 2018

Roll Call Number: [18-0985](#)

Action: [On](#) vacation of a portion of E. Martin Luther King, Jr. Parkway and the north-south alley right-of-way adjoining 410 SE 6th Street, and conveyance of said vacated right-of-way and other excess City property adjoining 400 SE 6th Street to 400 SE 6th Street, LLC, \$102,136, (6-25-18). Moved by Gatto to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: City Plan and Zoning Commission

Date: May 3, 2018

Resolution Number: 11-2018-1.11

Action: Recommend approval of a request from 400 SE 6th Street, LLC, Jake Christensen, Member, to vacate the north 40 feet of E Martin Luther King, Jr. Parkway right-of-way and the north-south alley right-of-way lying between Raccoon Street and E Martin Luther King, Jr. Parkway, all adjoining 401 Southeast 5th Street and 400 Southeast 6th Street, subject to conditions.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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