


COUNCIL COMMUNICATION

	Number:	19-214	Meeting:	May 20, 2019
	Agenda Item:	52	Roll Call:	[]
	Submitted by:	Erin Olson-Douglas, Economic Development Director		

AGENDA HEADING:

Hold public hearing on proposed sale of City-owned property at 750 Mulberry Street containing the 8th and Mulberry Parking Garage to Employers Mutual Casualty Company (EMC) for \$14,900,000.

SYNOPSIS:

These roll calls open and close the public hearing on the proposed sale of City-owned property at 750 Mulberry Street. The City owns an 843-space parking garage structure at 750 Mulberry Street. This parking garage structure was built as a joint effort with EMC in 2006, which EMC currently owns the east half of the parking garage structure and the City of Des Moines owns the west half.

EMC's corporate headquarters is located directly to the north of the parking garage. On May 25, 2018, EMC purchased the east side of the former Younkers site at 701 Walnut Street for the continued expansion of their corporate campus. EMC is currently working through programming and design details for the next phase of their development plans at 701 Walnut and a key element to their planning process will be parking. As part of EMC's expansion efforts, they have offered to purchase the west half of the parking facility from the City for a purchase price of \$14,900,000.

FISCAL IMPACT:

Amount: \$14,900,000 (revenue)

Funding Source: The surplus revenue, pursuant to Iowa Code Section 384.89, will be deposited/designated as follows: \$7,600,000 to the Metro Center Urban Renewal Area Fund, and \$7,300,000 to a sub-fund of the general fund for capital improvements.

ADDITIONAL INFORMATION:

- The sale of the 8th and Mulberry parking garage to EMC will convert the property to a taxable use, placing additional long-term valuation onto the tax rolls.
- The purchase agreement includes long-term provisions for providing public parking as follows:
 - 100 total hourly spaces on the ground floor of the East Garage and West Garage for a 20-year term (through June 30, 2039).

- 100 total monthly spaces on the upper floors of the East Garage and/or West Garage for a term that concludes at the earlier of the following: five (5) years (June 30, 2024) or one (1) year past the issuance of a temporary occupancy permit at 5th and Walnut Garage (current completion deadline for the 5th and Walnut Garage is August 16, 2020).
- 156 total non-peak night and weekend parking on surface lot A for a term of five (5) years (June 30, 2024).
- The City will provide EMC with a list of current monthly parkers in the EMC West Garage. Included as part of the parking spaces to be made available for use by the general public, EMC has agreed to continue to provide monthly parking to such listed monthly parkers subject to EMC's rules on public use.
- The City will continue to lease office space at the 8th and Mulberry Garage facility for Traffic Enforcement Operations. The draft lease agreement proposes an initial 10-year term and rent of \$100 per month to cover the pro rata share of real estate taxes, maintenance and insurance, which will be reconciled and adjusted annually.

PREVIOUS COUNCIL ACTION(S):

Date: May 6, 2019

Roll Call Number: [19-0704](#)

Action: [On](#) proposed sale of City-owned Eighth and Mulberry Parking Garage property at 750 Mulberry Street to Employers Mutual Casualty Company, \$14,900,000, (5-20-19). ([Council Communication No. 19-194](#)) Moved by Gatto to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Closing on Sale of real estate – to occur on or before June 28, 2019.

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 Hall, 400 Robert D Ray Drive. 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.