


COUNCIL COMMUNICATION

	Number:	24-320	Meeting:	August 5, 2024
	Agenda Item:	15	Roll Call:	24-1055
	Submitted by:	Chris Johansen, Neighborhood Services Department Director; and Steven L. Naber, P.E., City Engineer		

AGENDA HEADING:

Acceptance of Real Estate documents from Ty Cawley for voluntary acquisition of property located at 200 Euclid Avenue for \$500,000, and authorization to use Community Development Block Grant (CDBG) funds for acquisition and stabilization.

SYNOPSIS:

Recommend acceptance of Real Estate documents from Ty Cawley for voluntary acquisition of property located at 200 Euclid Avenue for \$500,000. This action is required to authorize the purchase of this property from Ty Cawley. The purchase of this property will not require relocation assistance.

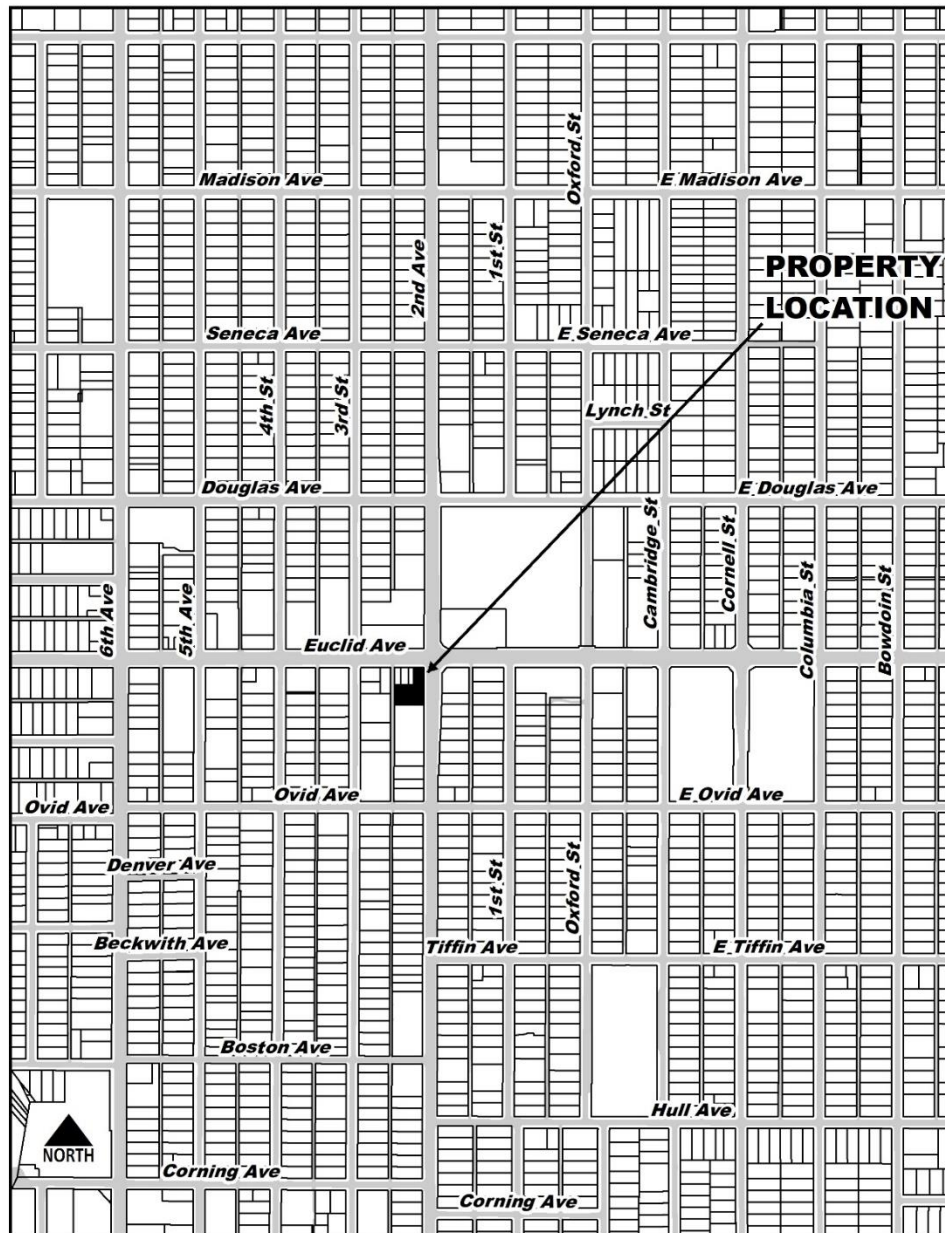
FISCAL IMPACT:

Amount: \$500,000 plus closing costs

Funding Source: Fiscal Year (FY) 2024-2025 Operating Budget, Neighborhood Services Department, Special Revenue and Other Funds, CDBG, Page 156

ADDITIONAL INFORMATION:

- Ty Cawley is the owner of 200 Euclid Avenue and Geoparcels 7924-27-233-021, also known as 3520 2nd Avenue, in Des Moines. The property consists of approximately 14,470 square feet and is improved with a three (3)-story mixed-use retail/apartment building. The building is in poor condition and is not habitable. It has been declared a public nuisance by the City of Des Moines. There is also a 1,375 square foot wood pole storage building with metal paneled exterior walls located on this property.
- The City's Real Estate Division has negotiated a purchase price of \$500,000 for voluntary acquisition of this property, which is equal to the fair market value of the property based on an independent appraisal. The purchase of this property will not require relocation assistance.



- The City has interest in acquiring and rehabilitating 200 Euclid Avenue due to its historic value and retention of 12 housing units. The site is located in the College Corner Commercial Historic Business District, also known as the Highland Park Historic Business District, in the Highland Park Neighborhood. Both the site and the District were added to the National Register of Historic Places in 1998 for:
 - The association with events that have made a significant contribution to the commercial patterns of Des Moines' history; and
 - The distinctive architectural characteristics from the late 19th and early 20th centuries American Movements.
- 200 Euclid Avenue, which was originally used as the meeting spot for the International Order of Odd Fellows (IOOF), was constructed in 1907. The building was substantially remodeled in 1930, 1947, 1951, 1973-74, and 1996, per the National Register of Historic Places Registration Form.

- The use of CDBG funds will require that at least 51%, or at least seven (7) units will be rent- and income-restricted to be affordable as workforce housing or for those residents on fixed incomes for a period of 15 years. For example, a two (2)-person household wanting to rent a two (2)-bedroom apartment earning \$72,000 or less per year would be eligible. Their rent would be \$1,080 or less per month, including utilities, as of the 2024 rent limits. Rent and income limits increase annually and are published by the US Department of Housing and Urban Development (HUD).
- If the City acquires the properties, staff intend to solicit bids for a general contractor to stabilize the property per the Neighborhood Inspections Division specifications and abate the public nuisance. Once stabilized, Neighborhood Services and Office of Economic Development staff will solicit rehabilitation proposals from local developers and transfer the project to the proposer who has the highest likelihood of completing the project based on proof of financial and overall capacity. The rehabilitation scope of work would be reviewed and approved under consultation with the State Historic Preservation Office (SHPO) of Iowa.

PREVIOUS COUNCIL ACTION(S):

Date: April 15, 2024

Roll Call Number: [24-0593](#)

Action: Abatement of public nuisances as follows: (D) [200](#) Euclid Avenue to continue indefinitely, continued from the February 19, 2024 meeting. Moved by Gatto to adopt. Second by Voss. Motion Carried 7-0.

Date: February 19, 2024

Roll Call Number: [24-0265](#)

Action: Abatement of public nuisances as follows: (C) [200](#) Euclid Avenue. Moved by Westergaard to continue to the April 15, 2024 Council meeting. Second by Gatto. Motion Carried 6-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

In the future, there may be an action to accept a general contractor, and there will be an action to transfer the property to an entity experienced in historic rehabilitation.

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