


COUNCIL COMMUNICATION

	Number:	25-108	Meeting:	March 24, 2025
	Agenda Item:	40	Roll Call:	25-0453
	Submitted by:	Cody Christensen, Development Services Director; and Steven L. Naber, P.E., City Engineer		

AGENDA HEADING:

Hold hearing for approval of documents for vacation of the north/south alley right-of-way adjoining 401 SE 7th Street and conveyance of the vacated right-of-way and excess City property locally known as 401 SE 7th Street to Newbury Management Company for \$376,320.

SYNOPSIS:

Recommend approval of vacation of the north/south alley right-of-way adjoining 401 SE 7th Street and conveyance of the vacated right-of-way and excess City property locally known as 401 SE 7th Street to Newbury Management Company (Frank Levy, President; 3408 Woodland Avenue, West Des Moines, Iowa 50266) for \$376,320. This action is required by Iowa law prior to making a final determination on the proposed sale by resolution.

This proposed land sale is needed for a planned housing project, Newbury Commons, a three (3)-story, 49-unit apartment building at 401 SE 7th Street which is directly adjacent to properties currently owned by Newbury Management Company. 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 the tax rolls, as well as support the expansion project for this Iowa based company.

FISCAL IMPACT:

Amount: \$376,320 (Revenue)

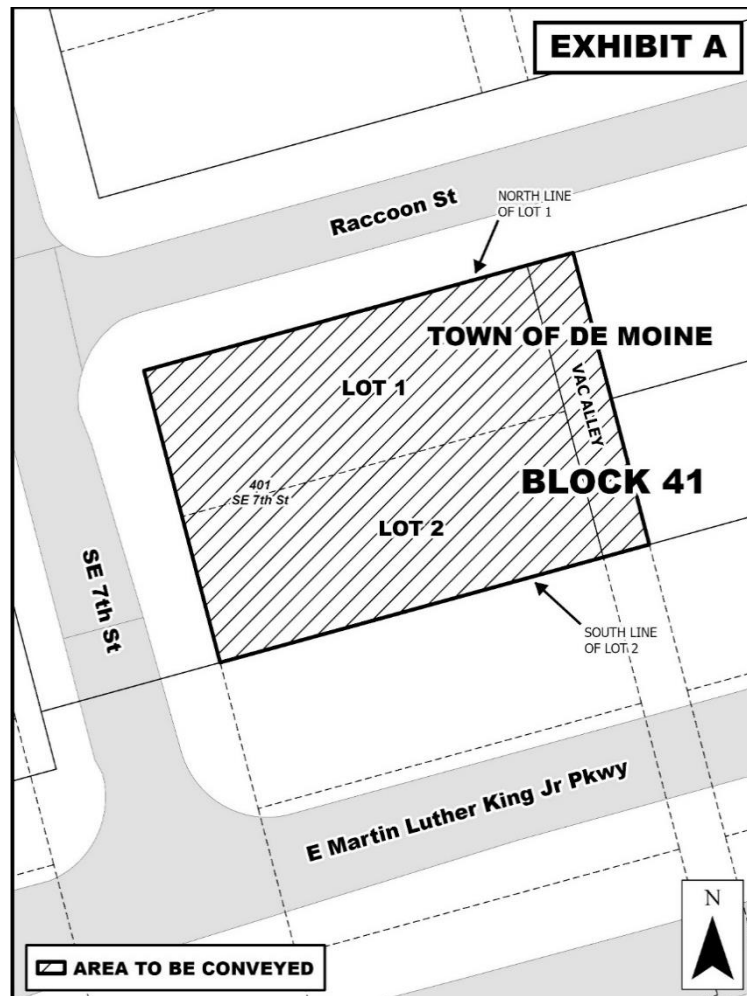
Funding Source: The Southeast Connector – SE 6th Street to SE 15th Street Project encumbered proceeds from the sale (\$336,000) will be deposited into the Federal Title 23 Land Sales Account, ST500.

The non-project related land sale proceeds from this sale (\$40,320) will be used to support general operating budget expenses: Org-EG064090.

ADDITIONAL INFORMATION:

- The proposed \$13.83 million project is located north of East Martin Luther King, Jr. Parkway between SE 7th Street and SE 8th Street and will include a total of 49 dwelling units.
- The project is located within the Thriving Communities Designation boundary provided by the Iowa Finance Authority (IFA) to the City of Des Moines. The project will be applying to the Low-Income Housing Tax Credits (LIHTC) Program through IFA.

- The project is geared toward senior living and will feature both one (1)- and two (2)-bedroom unit types. The mix will include 41 one (1)-bedroom units and eight (8) two (2)-bedroom units.
- Affordability requirements will target households earning 40% and 60% of Area Median Income (AMI).
- Key features include a community room and fitness room, good proximity to public transportation and essential services, environmental sustainability based upon stormwater detention measures and energy-efficient construction practices, and green space available for tenant recreation.
- Newbury Management Company has offered to the City of Des Moines the purchase price of \$376,320 for the purchase of 401 SE 7th Street and the adjoining vacated north/south alley right-of-way, subject to reservation of any and all easements upon the property now in place, until such time as said easements are abandoned or relocated at no cost to the City of Des Moines.
- The property consists of approximately 18,816 square feet and the purchase price of \$376,320 is equal to the fair market value of the property as determined by an independent appraisal.
- The closing on the land sale is contingent upon the buyer securing LIHTC.
- There is no current or anticipated public need for this property, and this conveyance will allow the buyer to construct the planned housing project, eliminate future maintenance and liability costs for the City and will return the property to the tax rolls.



PREVIOUS COUNCIL ACTION(S):

Date: March 10, 2025

Roll Call Number: [25-0351](#)

Action: [On](#) vacation of the north/south alley right-of-way adjoining 401 SE 7th Street and conveyance of the vacated right-of-way and excess City property locally known as 401 SE 7th Street to Newbury Management Company, \$376,320, (3-24-25). Moved by Gatto to adopt. Second by Voss. Motion Carried 7-0.

Date: February 10, 2025

Roll Call Number: [25-0189](#)

Action: [Preliminary](#) terms of an Urban Renewal Development Agreement with Newbury Management Company and Newbury Commons Associates, LP for the construction of Newbury Commons, a 49-unit apartment building located at 401 SE 7th Street. ([Council Communication No. 25-061](#)) Moved by Gatto to adopt. Second by Voss. Motion Carried 7-0.

Date: January 27, 2025

Roll Call Number: [25-0121](#)

Action: [Preliminary](#) award of \$400,000 of Home Investment Partnership Program (HOME) funds to Newbury Living for the construction of Newbury Commons at 401 SE 7th Street resulting in 49 affordable housing units. ([Council Communication No. 25-034](#)) Moved by Gatto to adopt. Second by Voss. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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