

COUNCIL COMMUNICATION

	Number:	25-393	Meeting:	October 20, 2025
	Agenda Item:	43	Roll Call:	25-1422
	Submitted by:	Cody Christensen, Development Services Director, and Steven L. Naber, P.E., City Engineer		

AGENDA HEADING:

Hold hearing for conveyance of City property known as the 9th and Locust parking garage located at 801 Locust Street to Federal Home Loan Bank of Des Moines (FHLB) for \$7,300,000.

SYNOPSIS:

This action is required to open and close the public hearing on the proposed sale of City-owned property at 801 Locust Street containing the 9th and Locust Parking Garage to the adjacent property owner, FHLB. FHLB, with offices at 909 Locust Street, is the largest user of this parking garage and has had a parking agreement with the City since 2004.

In 2018, the parking agreement with FHLB was updated to provide them with the use of 175 to 425 parking spaces through September 30, 2033. FHLB has offered to purchase this City parking garage to gain more control over their current and future parking needs and to make several improvements to the parking garage that are unique to their specific requirements.

FISCAL IMPACT:

Amount: \$7,300,000 (revenue)

Funding Source: The surplus revenue, pursuant to Iowa Code Section 384.89, will be deposited and designated as follows: \$3,650,000 to the Parking Enterprise Fund and \$3,650,000 to the Metro Center District Tax Increment Financing (TIF) Fund.

ADDITIONAL INFORMATION:

- The 9th and Locust Parking Garage was built in 1991 and has approximately 1,130 parking spaces.
- In May of 2024, FHLB contacted the City with several concerns about the condition of the 9th and Locust Parking Garage, including water leaks, width of parking stalls, low light levels, security levels, elevator maintenance, and other items. As a result of several meetings and discussions on how the City might be able to address FHLB's parking concerns, FHLB expressed an interest in acquiring the parking garage from the City in order to gain more control over their specific parking needs and requirements.

- In September 2024, City staff obtained an appraisal of the parking garage which determined the fair market value of the property to be \$7,300,000.
- In April 2025, FHLB's Board authorized formal negotiations for the purchase of the property.
- The negotiated purchase agreement includes the following terms and conditions, which are unique to the sale of this parking garage:
 - **Existing Parking Agreements.** The City has an existing parking agreement with Fidelity & Guaranty for use of 75 parking spaces, which expires on August 31, 2026. The City also has existing month-to-month parking agreements with individual users. FHLB has agreed to assume the parking agreement with Fidelity & Guaranty, but the individual month-to-month user agreements will be terminated by the City, and the individual users will be required to secure new agreements with FHLB after closing.
 - **Public Parking.** FHLB will allow the public to use the garage from 6 p.m. – 6 a.m. on weeknights and from 6 p.m. on Fridays until 6 a.m. on Mondays. FHLB's parking rates shall be reasonable and comparable to adjacent public parking.
 - **Existing Parking Meters and Pay Stations.** The existing City parking meters and an existing pay station on the first floor of the parking ramp will be removed by the City prior to closing.
 - **Electric Vehicle (EV) Charging Stations.** The City installed five (5) EV charging stations within the parking garage, four (4) of which were made possible by federal grants. Those federal grants require that the charging stations stay in place for five (5) years. The completion date for the first two (2) charging stations was May 4, 2022, and the completion date for the other two (2) charging stations was March 20, 2023. In order to comply with the requirements of the grants, FHLB has agreed to maintain the four (4) affected EV charging stations in place through the required five (5)-year periods. The Iowa Department of Transportation (IDOT) has confirmed that the City's agreement with FHLB satisfies all grant requirements for the four (4) affected EV charging stations.
 - **Skywalk.** At closing, FHLB will be required to sign the standard skywalk agreement and FHLB will be responsible for maintenance of all adjacent skywalks to the parking garage.
 - **Elevator Improvements.** Prior to negotiations for the sale of the parking garage, the City approved a construction contract for modernization of existing two (2) passenger elevators located in the northwest and southeast corners of the parking garage. Closing on the sale of the property will not occur until after these elevator improvements are complete and are accepted by the City Council, which is expected to occur before the end of 2025.
 - **Information Technology (IT) Network and Fiber Optic Hub.** The City currently has an existing IT fiber network and fiber optic hub located in the parking garage that will need to be relocated after closing occurs. A separate agreement will be executed at closing to allow the City continued access, use, and maintenance of these IT facilities and equipment until relocation is completed.



PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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