

February 12, 2007
Date

RESOLUTION APPROVING ACQUISITION PLAN FOR
2200 BLOCK OF FOREST AVENUE

WHEREAS, on September 11, 2006, by Roll Call No. 06-1810, and pursuant to Iowa Code Chapter 403, the City Council gave final approval to and adopted the Amended Forest Avenue Urban Renewal Plan ("Amended Plan") in order to improve housing conditions within the boundaries of the Forest Avenue Urban Renewal Area by rehabilitating homes in substandard condition and by acquiring blighted, obsolete or underutilized property for redevelopment to low and medium density housing and for services supporting that housing; and

WHEREAS, the boundaries of the Forest Avenue Urban Renewal Area, generally located along Forest Avenue between 9th and 23rd Streets in Des Moines are more specifically described in "Map No. 2 Project Boundary" and "Exhibit A, Legal Description", both of which are attachments to the Amended Plan on file with the City Clerk; and

WHEREAS, City Council members, City staff, neighborhood residents and other area stakeholders produced a Forest Avenue Community Strategy which identified the 2200 Block of Forest Avenue as an appropriate location for the redevelopment within the Area. The proposed Acquisition Plan for the 2200 Block of Forest Avenue includes three properties, 2201 Forest Avenue, 1408 22nd Street and 1405 23rd Street (the "Acquisition Plan Area") which the City seeks to acquire to achieve the purposes of the Amended Plan; and

WHEREAS, it is contemplated that the City may need to acquire one or more of the Acquisition Plan Area properties by use of its eminent domain authority under Iowa Code Chapter 6A. The City may exercise its authority to condemn all private property in the Acquisition plan area for a public use, specifically the acquisition of property for redevelopment purposes and to eliminate slum or blighted conditions, if at least seventy-five percent (75%) of the Acquisition Plan Area consists of property in a slum or blighted condition when the Acquisition Plan is adopted.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa that:

1. The Acquisition Plan regarding the 2200 Block of Forest Avenue attached to this resolution is hereby approved.
2. At least seventy-five percent (75%) of the area in the Plan consists of property in a slum or blighted condition as of the date of this resolution.

Date February 12, 2007

3. The taking of the property by eminent domain in the Acquisition Plan Area is necessary to achieve the objectives of the Amended Plan and the Acquisition Plan as described herein and in the respective Plans, which are incorporated herein by this reference.


4. The taking of property for the Acquisition Plan will eliminate or rehabilitate the slum or blighted conditions in the Acquisition Plan Area.

5. Upon approval, the City Clerk is authorized and directed to keep on file a copy of the Acquisition Plan.

(Council Communication No. 07-080)

APPROVED AS TO FORM:

Moved by _____ to adopt.


 Michael F. Kelley
 Assistant City Attorney

| COUNCIL ACTION | YEAS | NAYS | PASS | ABSENT |
|----------------|------|------|------|--------|
| COWNIE | | | | |
| COLEMAN | | | | |
| HENSLEY | | | | |
| KIERNAN | | | | |
| MAHAFFEY | | | | |
| MEYER | | | | |
| VLASSIS | | | | |
| TOTAL | | | | |

MOTION CARRIED

APPROVED

Mayor

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

 City Clerk

Acquisition Plan

**2200 Block of Forest Avenue
Redevelopment Project**

February 12, 2007

Background

Over the past five years, residents and organizations have been working with Council members and City staff on strategies to improve the Forest Avenue corridor. A Planning Committee of area stakeholders was organized to develop a plan for Forest Avenue. The result of this planning effort was the *Forest Avenue Corridor Strategy*. This plan called for the rehabilitation of properties in poor condition, redevelopment of underutilized land, and the cleanup of environmentally contaminated property.

The 2200 Block of Forest Avenue was identified by the Forest Avenue Planning Committee as the most appropriate site for redevelopment along Forest Avenue (see Map A). This area was selected for having two vacant commercial structures, as well as a vacant, fire damaged house that has been deemed a public nuisance structure. The property at 2201 Forest Avenue is a vacant gas/service station that is listed by the Polk County Assessor as being in "Very Poor" condition. In addition, this property also contains severe petroleum contamination in the soil due to leaking underground storage tanks that once occupied the site.

The environmental engineering firm, Barker Lemar, conducted a Tier 2 report for 2201 Forest Avenue in order to assess the extent of the contamination. This report was filed with the DNR in January 2006. The Tier 2 report concluded that the site is a "high risk" site. This determination was made by conducting soil samples at various locations on and around the property. These soil samples indicated that the contamination plume is primarily contained within the site, but that a small area has encroached into the right-of-way, compromising a PVC water pipe. Until corrective action is taken to replace the affected portion of water pipe, the site will continue to be considered "high risk." The current property owner, SBS, acquired the property through the Tax Sale Certificate Process and, therefore, is considered to be an innocent landowner since the contamination occurred prior to taking ownership. As an innocent landowner, SBS has no obligation under state law to follow through with any corrective action.

The *Forest Avenue Corridor Strategy* called for a market analysis to determine the highest and best use for the corridor. The consulting firm Economic Research Associates (ERA) was hired to conduct this analysis. Their market study indicated the Forest Avenue corridor is no longer suited for commercial use due to its proximity with University Avenue commercial areas. ERA recommends that the corridor would be best utilized for low to medium density residential.

The *Forest Avenue Corridor Strategy* also called for the development and approval of an urban renewal plan. City staff continued to work with the Forest Avenue Planning Committee through this process and held several public input meetings while developing the urban renewal plan to build community consensus for the project. The Forest Avenue Urban Renewal Plan was adopted on October 24, 2005 and then amended on September 11, 2006.

Purpose of the Acquisition Plan

In 2006, the Iowa Legislature approved House File 2351, regarding government authority on eminent domain and condemnation. This newly adopted law maintains procedures allowing municipalities to use eminent domain and condemnation to eliminate slum and blight. The 2200 Block of Forest Avenue Acquisition Plan meets the requirements of the law with 75 percent or more of the area in a slum or blighted condition. Additionally, the taking of the subject properties is necessary to achieve the project objective of multi-family residential and will eliminate or rehabilitate the slum and blighted conditions in the area.

Acquisition Plan Details

The primary objective of the Forest Avenue Urban Renewal Plan is the redevelopment of the 2200 Block of Forest Avenue for multi-family residential. In order to be economically feasible, the multi-family redevelopment must include a minimum of 15 to 18 units. This level of development would require all the land within the acquisition plan area, as well as the property at 2217 Forest Avenue that has already been acquired by the City. RDG Planning and Design drafted a conceptual site plan that depicts an 18-unit row-house type development, with the potential for an additional 6 units of row-housing in a second phase (see Map B).

In order to implement this redevelopment project the City needs to acquire 2201 Forest Avenue, 1408 22nd Street, and 1405 23rd Street. These property acquisitions are necessary in order to eliminate blight and assemble a site large enough for a multi-family redevelopment project. Without acquiring the three previously mentioned properties this redevelopment project cannot occur. The City has attempted to negotiate the purchase of these properties on a voluntary basis, however these negotiations have not been successful due to title issues that cannot be resolved and a property owner that has been unresponsive to our offer to purchase. Therefore, the use of eminent domain may be necessary to acquire these properties.

| Property Address | Property Condition | Land Area (Sq Ft) | Land Area (Acres) | % of Land Area |
|------------------|--------------------|---------------------|-------------------|----------------|
| 2201 Forest Ave | Very Poor | 17,846 Sq Ft | 0.41 Acres | 50.6% |
| 1408 22nd St | Normal | 8,903 Sq Ft | 0.20 Acres | 24.7% |
| 1405 23rd St | Very Poor | 8,903 Sq Ft | 0.20 Acres | 24.7% |
| | | 35,652 Sq Ft | 0.81 Acres | 100% |

CDBG Allocations for Forest Avenue Revitalization Efforts

There have been allocations of Community Development Block Grant (CDBG) dollars for the acquisition, relocation, demolition, environmental cleanup, and redevelopment of property in the 2200 Block of Forest Avenue. City Council allocated \$300,000 of CDBG funds in 2004, \$150,000 of CDBG funds in 2005, and an additional \$150,000 of CDBG funds in 2007 for a grand total of \$600,000 in CDBG funding allocated to this project to date. Because this multi-family redevelopment is intended to be a mixed-income project with market rate and affordable units, additional CDBG or HOME allocations may be necessary to help maintain affordable rent levels.

Property Details

2201 Forest Avenue

- Assessed Value = \$16,700 (2005)
- Appraised Value = \$43,000 (Oct. 2006)
- Vacant gas/service station
- Very poor condition (see attached site photos)
- Currently listed as a “high risk” site by IDNR due to petroleum contamination in soil
- Current owner acquired the property through tax certificate process
- Identified as a key redevelopment site in the *Forest Avenue Corridor Strategy Plan* and the *Forest Avenue Urban Renewal Plan*
- Highly visible corridor

- Would be acquired along with the surrounding property for redevelopment of multi-family housing project
- Neighborhood supports this redevelopment
- Drake University supports this redevelopment

Support Documentation Available for 2201 Forest Avenue:

- Polk County Assessor Records
- Property appraisal report
- Code violation records for abandoned property in the right-of-way
- Tier 2 Environmental Site Cleanup Report
- Property Photos (Attached)

1408 22nd Street

- Assessed Value = \$47,600 (2005)
- Appraised Value = N/A
- Owner-occupied two-family residence, rental unit is currently vacant
- Normal condition (see attached site photos)
- Identified as a key redevelopment site in the *Forest Avenue Corridor Strategy Plan* and the *Forest Avenue Urban Renewal Plan*
- Would be acquired along with the surrounding property for redevelopment of multi-family housing project
- Neighborhood supports this redevelopment
- Drake University supports this redevelopment

Support Documentation Available for 1408 22nd Street:

- Polk County Assessor Records
- Property Photos (Attached)
- Code violation records for unlicensed, inoperable vehicles and abandoned property in the right-of-way

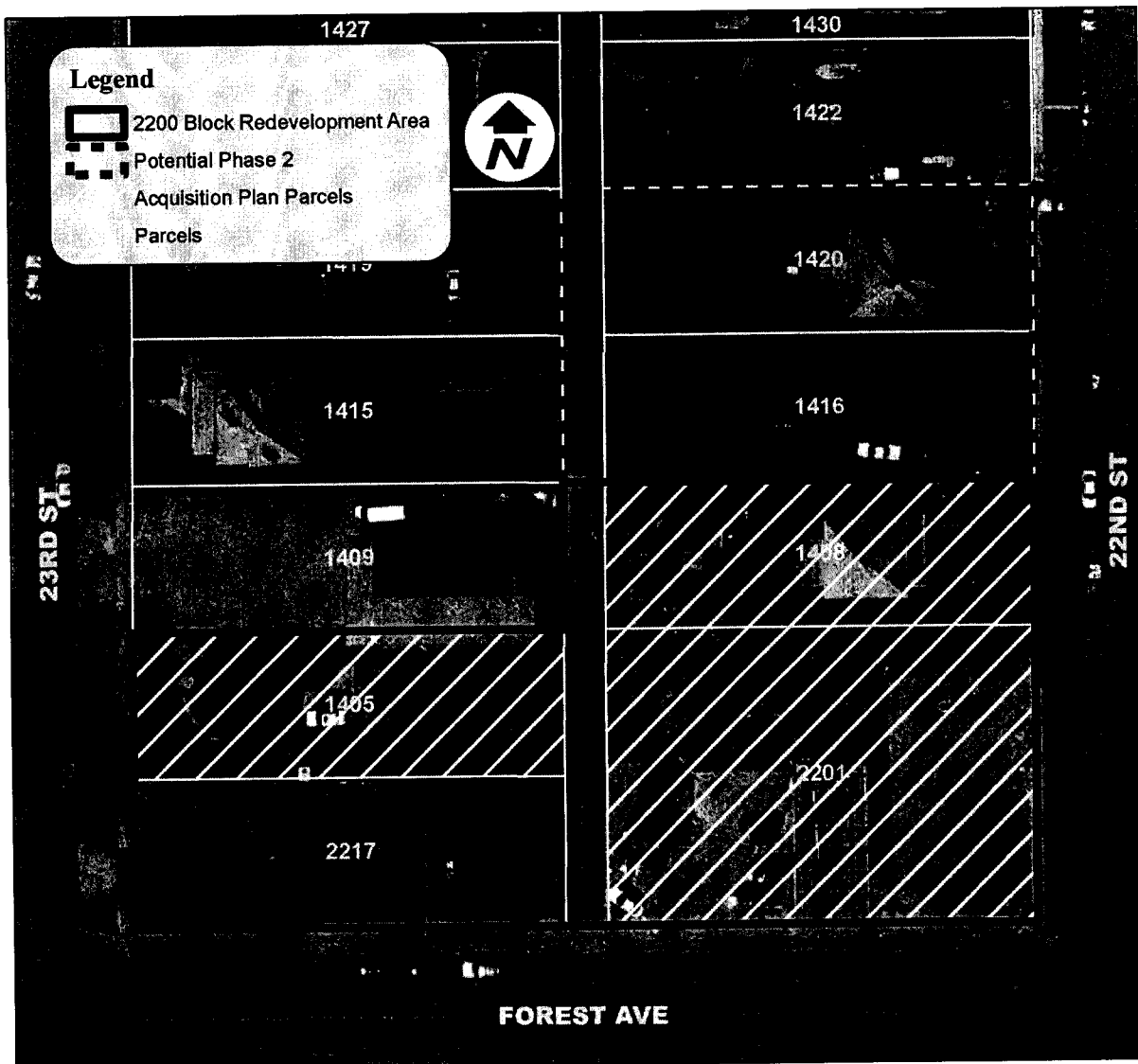
1405 23rd Street

- Assessed Value = \$51,800 (2005)
- Appraised Value = \$500 (Oct. 2006)
- Vacant single-family home
- Very poor condition (see attached site photos)
- Sustained severe fire damage in November 2005
- Listed as a public nuisance
- Highly visible corridor
- Due to complicated title and equity interests in the property the City has been unable to reach a voluntary agreement with all parties
- Identified as a key redevelopment site in the *Forest Avenue Corridor Strategy Plan* and the *Forest Avenue Urban Renewal Plan*
- Would be acquired along with the surrounding property for redevelopment of multi-family housing project
- Neighborhood supports this redevelopment
- Drake University supports this redevelopment

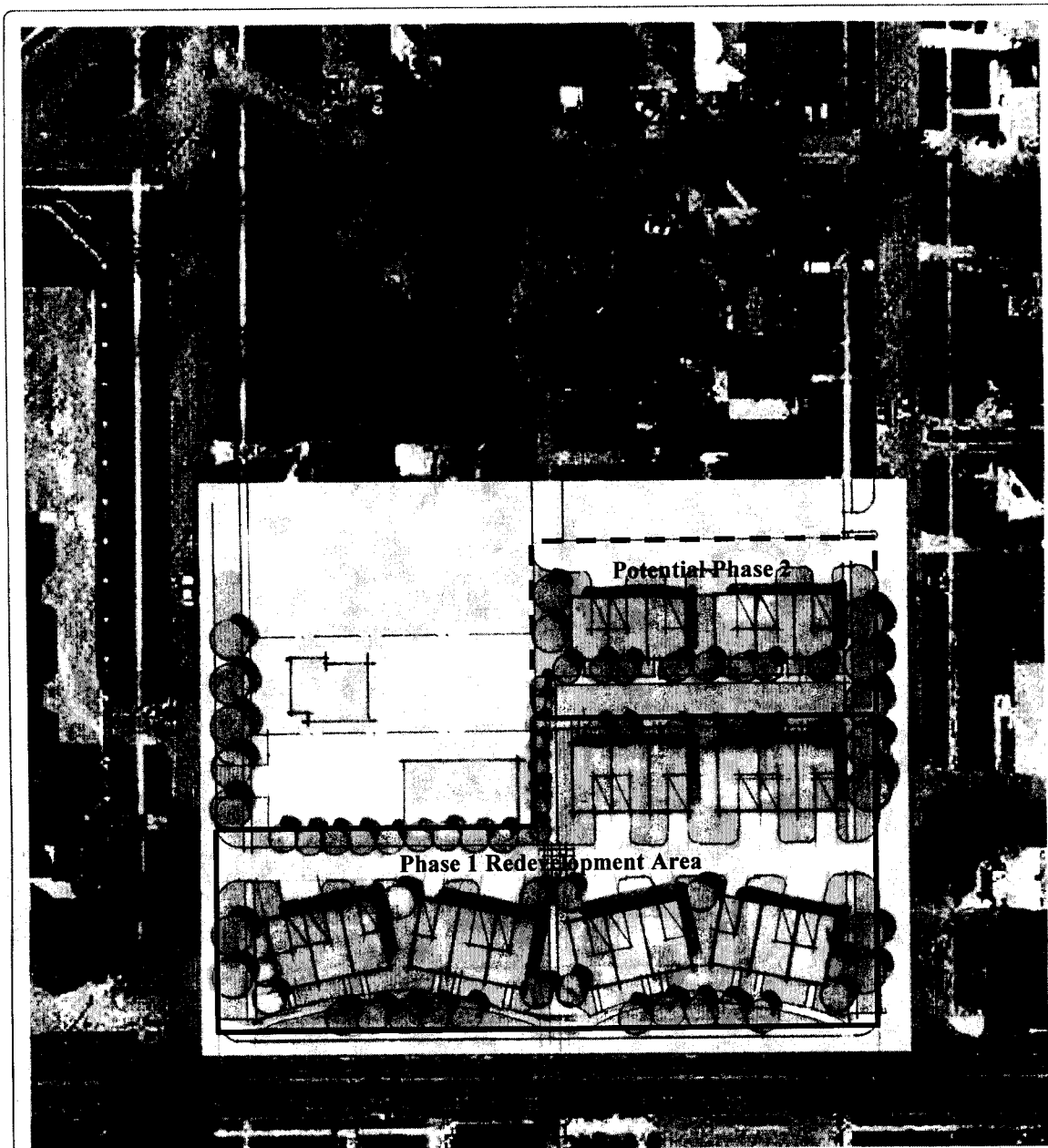
Support Documentation Available for 1405 23rd Street:

- Polk County Assessor Records
- Property appraisal report
- Public nuisance records
- Code violation records for abandoned property in the right-of-way
- Property Photos (Attached)

Map A: 2200 Block of Forest Avenue – Project Area Map



Map B: 2200 Block of Forest Avenue – Preliminary Redevelopment Concept



City of Des Moines, Iowa

Forest Avenue Site Plan: Concept



NORTH

PLANNING • DESIGN

RDg...

