



Roll Call Number

12-1643

Agenda Item Number

37

Date October 22, 2012

**HEARING ON
SALE BY INSTALLMENT CONTRACT OF CITY-OWNED PROPERTY
IN THE VICINITY OF 900 MULBERRY STREET
(CENTRAL FIRE STATION NO. 1) TO DES MOINES SOCIAL CLUB**

WHEREAS, the City has determined that its Fire Department shall be moved to a new building currently under construction in the downtown and the City intends to vacate the Central Fire Station No. 1 in the vicinity of 900 Mulberry Street and upon vacation there is no known public need for the property; and

WHEREAS, the City received a redevelopment proposal for the Central Fire Station No. 1 property from Des Moines Social Club and by Roll Call No. 12-1055 of June 25, 2012, the City Council selected Des Moines Social Club as the preferred redeveloper of the property and directed the City Manager and the Legal Department to prepare a sales agreement for the conveyance and redevelopment of Central Fire Station No. 1; and

WHEREAS, a Real Estate Purchase Installment Contract – Sale of Land for Private Development (“Development Agreement”) has been prepared for the sale of the Central Fire Station No. 1 property to Des Moines Social Club for restoration and renovation of the property for the headquarters of the Des Moines Social Club, office space for non-profit entities that promote the arts and cultural activities in the community, theater, retail and restaurant uses and said Development Agreement is on file in the Office of the City Clerk; and

WHEREAS, the development of the Central Fire Station No. 1 property in accordance with the terms of the Development Agreement will preserve and create an environment which will maintain taxable values within the downtown, provide for orderly expansion of downtown Des Moines as a retail, financial, business, and cultural center of the metropolitan area, encourage and support development which will enhance and make the best possible use of cultural and other public facilities, resources and investments, provide facilities that will meet the recreational, educational and cultural needs of persons who work in and near the downtown and support the maintenance and rehabilitation of sound existing structures and the preservation of properties of architectural and historic merits; and

WHEREAS, the development of Central Fire Station No. 1 property in accordance with the terms of the Development Agreement will restore, preserve and maintain the historical and architectural significance and provide for continued use of the fire station buildings and will encourage further private investment of surrounding properties in the downtown, and will attract, retain and be a compatible positive asset to new business development; and

WHEREAS, that the purchase price of \$600,000 to be paid in three equal annual installments of \$200,000 each and interest on the unpaid amount at the rate of 5% per annum hereby represents the fair value of Central Fire Station No. 1 property taking into account the restrictions upon the property and the covenants, conditions and obligations assumed by Des Moines Social Club for construction of improvements and provision of continued use and maintenance of the property and improvements thereon in accordance with the terms of the Development Agreement; and

★ Roll Call Number
12-1643

Agenda Item Number
37

Date October 22, 2012

-2-

WHEREAS, the development of the Central Fire Station No. 1 property by Des Moines Social Club pursuant to the terms of the Development Agreement, the tangible interest the City will retain through the reservation of development covenants on the property, and the fulfillment generally of the Development Agreement are in the vital and best interests of the City and the health, safety, morals and welfare of its residents.

WHEREAS, on October 8, 2012, by Roll Call No. 12-1589, it was duly resolved by the City Council that the proposed sale and conveyance of the Central Fire Station No. 1 property be set down for hearing on October 22, 2012, at 5:00 p.m., in the Council Chambers at City Hall; and

WHEREAS, due notice of said proposal to sell and convey this public property was given as provided by law, setting forth the time and place for hearing on said proposal; and

WHEREAS, in accordance with said notice, those interested in this proposed sale and conveyance, both for and against, have been given an opportunity to be heard with respect thereto and have presented their views to the City Council.

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

1. Upon due consideration of the facts and statements of interested persons, the objections to the proposed sale and conveyance of the Central Fire Station No. 1 property as described below are hereby overruled and the hearing is closed.
2. There is no public need for and the public will not be inconvenienced by the sale and conveyance to Des Moines Social Club of the Central Fire Station No. 1 property in the vicinity of 900 Mulberry Street and legally described below:

All of Lots 1, 2, 3 and 4 in Block 13 of H.M. Hoxie's Addition to the Town of Fort Des Moines, an Official Plat, and all that part of the vacated east/west alley lying north of and adjoining said Lot 2 in Block 13, all now included in and forming a part of the City of Des Moines, Polk County, Iowa.

★ Roll Call Number

12-1643

Agenda Item Number

37

Date October 22, 2012

-3-

3. That the sale and conveyance of the Central Fire Station No. 1 property at 900 Mulberry Street to Des Moines Social Club for the consideration of \$600,000 payable in three equal annual installments of \$200,000 each and interest on the unpaid amount at the rate of 5% per annum, pursuant to and in accordance with the terms of the Real Estate Purchase Installment Contract – Sale of Land for Private Development on file in the Office of the City Clerk (“Contract”) be and is hereby approved.
4. The Mayor is authorized and directed to sign the Contract for the sale and conveyance identified above, and the City Clerk is authorized and directed to attest to the Mayor’s signature.
5. Upon direction of the City Manager, or his designee, that the conditions precedent to delivery of possession of the property set forth in Section 13 of the Contract have been satisfied, the City Clerk is authorized and directed to forward the Contract, together with a certified copy of this resolution and of the affidavit of publication of the notice of this hearing to the Real Estate Division of the Engineering Department for the purpose of causing said documents to be recorded.
6. Upon confirmation by the City’s Real Estate Division Manager of Des Moines Social Club’s compliance with all Contract terms and proof of payment of full consideration of \$600,000 plus accrued interest, the Mayor is authorized and directed to sign the Special Warranty Deed for conveyance of the property identified above and the City Clerk is authorized and directed to attest to the Mayor’s signature and to forward the original of the Special Warranty Deed to the Real Estate Division Manager for the purpose of causing said document to be recorded.
7. The Agreement for Payment in Lieu of Taxes, in the general form incorporated and made part of the Contract, is hereby approved and the Mayor is hereby authorized and directed to sign the Agreement for Payment in Lieu of Taxes, with such modifications as may be approved by the Legal Department, and the City Clerk is authorized and directed to attest to the Mayor’s signature and to forward said fully executed Agreement to the Real Estate Division Manager for the purpose of causing said document to be recorded in conjunction with the Contract.
8. The Mayor is hereby authorized and directed to sign all easements and other required documents reviewed and approved by the Legal Department to facilitate the sale and conveyance in accordance with the Contract and the City Clerk is authorized and directed to attest to the Mayor’s signature and to forward such documents to the Real Estate Division Manager for the purpose of causing said documents to be recorded.

★ Roll Call Number

12-1643

Agenda Item Number

37

Date October 22, 2012

-4-

9. The City Manager or his designee are hereby directed to administer the terms of the Contract and monitor and enforce Des Moines Social Club's compliance with the terms and conditions of the Contract, including issuance of notice for any breach or default and the commencement of forfeiture, foreclosure or termination action and the City Manager or his designee is directed to inform the City Council of matters involving the Contract and the above-described property on a regular basis.

10. The City Manager may approve such reasonable short-term extensions to the Contract deadlines for submission of materials required for satisfaction of the conditions precedent to delivery of possession of the property or to the Contract deadline for completion of improvements provided Des Moines Social Club has made a good-faith effort and has demonstrated its capacity to satisfy and comply, as applicable, with the conditions precedent or the construction obligations.

Moved by Hensley to adopt.

APPROVED AS TO FORM:

Lawrence R. McDowell
Deputy City Attorney

(Council Communication No. 12-552)

LARRYRC\Des Moines Social Club (Fire Station) - Hearing.docx

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
COLEMAN	✓			
GRIESS	✓			
HENSLEY	✓			
MAHAFFEY	✓			
MEYER	✓			
MOORE	✓			
TOTAL	7			
MOTION CARRIED			APPROVED	

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.

[Signature] City Clerk