CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

DATE: December 7, 2020

ITEM: Resolution - Approval and Acceptance of Purchase Agreements and Conveyance of Property Interests for Construction of the Grand Avenue Reconstruction Project - 1st to 4th Street (0510-031-2016)

FINANCIAL IMPACT: $405,000.00 and property with fair market value of $210,000.00 (previously budgeted)

SYNOPSIS: Property interests necessary for Construction of the Grand Avenue Reconstruction Project - 1st to 4th Street have been secured through donation, dedication and negotiated purchase agreements with the owners shown on **Exhibit "A"**. The attached resolution approves the purchase agreements and, for policy and title purposes, formally accepts the property interests and authorizes the filing of all relevant documents. Costs associated with acquisition of the property interests will be paid from Account No. 500.000.000.5550.730, Project No. 0510-031-2016 with the ultimate funding intended to come from a Federal Transportation Grant, supplemented by TIF funds generated within the Val-Gate Urban Renewal Area.

OUTSTANDING ISSUES (if any):

- **Wendys** - This acquisition is a total taking with Closing tentatively scheduled on or about May 1, 2021. In the meantime, the City of West Des Moines agrees to pay $10,000.00 to Wendys for Earnest Money, which will be applied toward the Purchase Price upon Closing. In addition to a cash payment of $405,000.00, as part of this Purchase Agreement, West Des Moines also agrees to convey adjoining land (formerly owned by Rasmussen) located at 301 Grand Avenue and appraised at $210,000.00 to Wendys West Maple, LLC.

  A public hearing for the conveyance of the property to Wendys West Maple, LLC, and grant permissions for Wendy's to use street ROW during redevelopment, which are subject to approval of this Purchase Agreement, will be held at a later date.

RECOMMENDATION:

Adopt a Resolution approving and accepting Purchase Agreements and Conveyance of Property Interests to the City of West Des Moines for Construction of the Grand Avenue Reconstruction Project - 1st to 4th Street.

Lead Staff Member: Brian J. Hemesath, P.E., City Engineer

STAFF REVIEWS

Department Director	Richard J. Scieszinski, City Attorney
Appropriations/Finance	
Legal	
Agenda Acceptance	

PUBLICATIONs (if applicable)

Published In	
Dates(s) Published	

SUBCOMMITTEE REVIEW (if applicable)

Committee			
Date Reviewed			
Recommendation	Yes	No	Split

RESOLUTION NO._____

AUTHORIZING APPROVAL AND ACCEPTANCE OF PURCHASE AGREEMENTS AND CONVEYANCE OF PROPERTY INTERESTS FOR CONSTRUCTION OF THE GRAND AVENUE RECONSTRUCTION PROJECT - 1ST TO 4TH STREET, PROJECT NO. 0510-031-2016

WHEREAS, on January 7, 2019, the City Council of the City of West Des Moines, Iowa established the fair market value and authorized the acquisition of property and easements, including any leasehold interests, necessary for construction of the Grand Avenue Reconstruction Project - 1st to 4th Street (Project No. 0510-031-2016); and

WHEREAS, ultimate funding is intended to come from a Federal Transportation Grant, supplemented by TIF funds generated within the Val-Gate Urban Renewal Area; and

WHEREAS, it is the policy of the City of West Des Moines, Iowa, to approve the conveyance of all property interests to the City; and

WHEREAS, the City of West Des Moines has secured property interests through donation, dedication and purchase agreements for the acquisition of property interests necessary for the Project; and

WHEREAS, the names of the property owners and the fair market value, as determined by an M.A.I. designated appraiser, of the property to be acquired through purchase agreements are attached hereto as **Exhibit "A"** and made a part of this resolution; and

WHEREAS, documents conveying property interests necessary to complete the project have been presented to the City for approval; and

WHEREAS, it is in the best interest of the citizens of the City to approve and accept the above-described documents.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WEST DES MOINES, IOWA THAT:

1. The documents described above conveying property interests to the City of West Des Moines, Iowa, are hereby approved and accepted.

2. The City Clerk is directed to certify the Council's approval and acceptance.

3. The City Attorney is authorized to take all steps necessary and consistent with the Purchase Agreements to acquire the property interests.

4. The documents shall be filed with the county recorder as appropriate.

5. The Director of Finance is authorized to make payment to the property owners shown on the attached **Exhibit "A"** pursuant to the terms and conditions of the Purchase Agreements.

PASSED AND ADOPTED this **7th** day of **December, 2020.**

_____
Steven K. Gaer, Mayor

ATTEST:

_____
Ryan T. Jacobson
City Clerk

Exhibit "A"

GRAND AVENUE RECONSTRUCTION PROJECT - 1ST TO 4TH STREET (0510-031-2016)

EXHIBIT/ PARCEL	PROPERTY OWNER	ACQUIRED PRICE-FMV	SUMMARY
124	Wendy's West Maple, L.L.C. c/o Ken Wales at Kim Foods, d/b/a Wendys 225 Grand Avenue, West Des Moines, Polk County, Iowa 50265	$405,000.00	**Amount includes: $320,000 for building $50,000 building demolition $10,000 relocation $25,000 re-establishment costs Additional compensation not included: City to convey adjoining property (Lot 7 McCurnin Place, except the south ten feet) to Wendy's**
104	First Street Limited Partnership Attn: Chad Mandelbaum 100 Grand Avenue West Des Moines, IA 50265	$0.00	**In lieu of a cash transfer from City to Seller, the City shall make the improvements to Seller's property in conjunction with construction of the project in exchange for property interests to the City**
105, 107, 108, 109	Hy-Vee Inc 210 and 220 Grand Avenue West Des Moines, IA 50265	$0.00	**SELLER shall be given credit for the dedication of these property interests as part of SELLER'S obligations related to the final platting process for Linnwill Hy-Vee, a/k/a Linnwill Hy-Vee Fast & Fresh**
110, 111	Real Estate Holdings, c/o Timmons 328 and 340 Grand Avenue West Des Moines, IA 50265 f/k/a Colby Trust (Tenant is Dairy Queen and Subway)	$0.00	**In lieu of a cash transfer from City to Seller, the City shall make the improvements to Seller's property in conjunction with construction of the project in exchange for property interests to the City**
	TOTAL	**$405,000.00**	