


**OFFICE OF THE CITY MANAGER
DES MOINES, IOWA**

**CITY COUNCIL COMMUNICATION 96-051
FEBRUARY 5, 1996 AGENDA**

SUBJECT:	TYPE:	PREPARED BY:	SUBMITTED BY:
STOREY-KENWORTHY CO. DEVELOPER-INITIATED PROPOSAL	◆ RESOLUTION ORDINANCE RECEIVE/FILE	SCOTT STRICKER ECONOMIC DEVELOPMENT ADMINISTRATOR	 ERIC A. ANDERSON CITY MANAGER

SYNOPSIS —

The Storey-Kenworthy Co. has submitted a developer-initiated proposal to redevelop Disposition Parcel No. 17E/Central Place Industrial Park (south of Forest Avenue and east of Ohio Street). The redeveloper is proposing to construct at 34,784-square-foot office/distribution facility on the 1.5-acre parcel, which represents an addition to their existing 12,544-square-foot building located at 1333 Ohio Street.

On the February 5, 1996, Council agenda are two roll calls that request Council to:

1. Accept the developer-initiated redevelopment proposal from the Storey-Kenworthy Co. to redevelop Disposition Parcel No. 17C; and
2. Authorize advertisement for competing redevelopment proposals and to authorize for notice of intent to enter into an Agreement to Purchase Land for Private Redevelopment with the Storey-Kenworthy Co. if no competing proposals are received.

FISCAL IMPACT —

The Storey-Kenworthy Co. has offered a purchase price of \$82,900 (\$1.25/sq. ft.) for Disposition Parcel No. 17C. Sale proceeds will be allocated to the Central Place Industrial Park Account. No real estate commission will be paid because no real estate broker has been retained by Storey-Kenworthy to secure acceptance of the redevelopment proposal.

RECOMMENDATION —

1. Approval of the Minimum Development Requirements and Competitive Criteria for Disposition Parcel No. 17C/Central Place Industrial Park as described in Attachment "C" to the roll call;
2. Acceptance of the redevelopment proposal submitted by the Storey-Kenworthy Co. for Disposition Parcel No. 17C/Central Place Industrial Park, subject to terms and conditions described in the staff report (Attachment "B" to the roll call) and contained in the agreement; and
3. Authorization of a competing offering period of approximately 30 days for others interested in developing Disposition Parcel No. 17C.

BACKGROUND —

The Storey-Kenworthy Co. is submitting a developer-initiated proposal to purchase Disposition Parcel No. 17C for development of a 34,784-square-foot office/distribution facility on City-owned property located south of Forest Avenue and east of Ohio Street. This represents an expansion of their existing 12,544-square-foot office/showroom/distribution facility located at 1333 Ohio Street. Storey-Kenworthy is proposing to acquire Disposition Parcel No. 17C for \$82,900 (\$1.25/sq. ft.).

The Storey-Kenworthy Co. is an Iowa corporation that was founded in Des Moines in 1936.

The company sells and distributes office supplies, equipment, and furniture. It is ranked among the top 25 Steelcase dealers in the U.S. In addition to their existing 12,544-square-foot building at 1333 Ohio Street, the company owns an office/showroom facility at 309 Locust Street.

The proposed development will facilitate Storey-Kenworthy's growth in Des Moines through the construction of their expansion in the Central Place Industrial Park and create 20 new jobs within the next two years.

The estimated cost of building construction and site preparation is \$1.5 million (approximately \$43/sq. ft.). A good faith deposit was submitted in the form of a check drawn on Boatmen's Bank of Des Moines, Iowa for \$20,750, which represents 25 percent of the offered purchase price. Storey-Kenworthy intends to finance the project through the company's own funds. Construction is expected to start in April 1996 and be completed by September 1996.

The Storey-Kenworthy Co. is required to have a total of 28 employees based on the Urban Renewal Plan requirements. The company currently employs 20 people at their existing facility at 1333 Ohio Street and will hire an additional 10 employees by 1998. The urban renewal employment requirement will be met and exceeded.

On January 23, 1996, the Urban Renewal Board unanimously recommended approval of the redevelopment proposal, subject to the staff recommendation as noted in the staff report (Attachment "B"). Storey-Kenworthy's development proposal will meet the Minimum Development Requirements (Attachment "C") at the time of final design plan review.