

City Council Communication 97-572

December 8, 1997 Agenda

Subject:

License Agreement – Fred Nesbit Dist.

Company/Parcel 30A/Guthrie Avenue

Business Park

Submitted by:

James Grant

Community Development Director

Synopsis —

On the December 8, 1997 Council agenda is a resolution to authorize the City Manager or his designee to negotiate and execute a License Agreement with the Fred Nesbit Distributing Company, Inc. and Fitz-Gold, L.L.C. jointly to conduct grading and site preparation work on Disposition Parcel No. 30A/Guthrie Avenue Business Park (vicinity of Mattern Avenue east of DeWolf Street).

Fiscal Impact —

N/A

Recommendation —

Approval.

Background —

On July 7, 1997, the City Council entered into an Agreement to Purchase Land for Private Redevelopment with the Fred Nesbit Distributing Company, Inc. and Fitz-Gold, L.L.C. ("Redeveloper") jointly to redevelop Disposition Parcel No. 30A in the Guthrie Avenue Business Park. The Redeveloper intends to construct a 108,000 square foot office/distribution facility and a 7,000 square foot truck maintenance building on approximately 8.5 acres in the vicinity of Mattern Avenue east of DeWolf Street.

The Redeveloper is the Fred Nesbit Distributing Company, Inc., an Iowa corporation, and Fitz-Gold, L.L.C., an Iowa limited liability company, involved in the wholesale distribution of beer throughout metropolitan Des Moines. The Fred Nesbit Distributing Company, Inc. was organized on October 1, 1968, and Fitz-Gold, L.L.C. was created in the fall of 1996. Both are closely-held companies. The ownership structure of both businesses is similar. Fred Nesbit, Michael Nesbit, and John Nesbit (all of Des Moines, Iowa) each own 20 percent of the company. Mary Fitzgibbons (Omaha, Nebraska) and Nancy McGoldrick (Edina, Minnesota) each also own 20 percent of the company. All of the owners are siblings.

In order to control costs and develop the project efficiently, the Redeveloper is requesting authorization to conduct grading and site preparation work prior to the City conveying title to the property to the Fred Nesbit Distributing Company, Inc. and Fitz-

Gold, L.L.C. Title is anticipated to be transferred in late winter/early spring 1998 after the City approves the final design plans and evidence of financing and executes the Special Warranty Deed for the property. The License Agreement will stipulate that the Redeveloper shall conduct the work at its sole cost and risk.