

**CITY COUNCIL  
COMMUNICATION:**

**ITEM \_\_\_\_\_**

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

**99-495**

**SYNOPSIS -**

**AGENDA:**  
  
NOVEMBER 1, 1999

On the November 1, 1999 Council agenda is a roll call to receive and file a letter from L.D. McMullen, CEO and General Manager of the Des Moines Water Works, regarding the Board of Water Works Trustees' intent to enter into a 28E Agreement with the City of Des Moines in order to cost-share the purchase of approximately 166 acres owned by the Archer Daniels Midland Company (ADM) in the proposed Des Moines Agribusiness Park. The action also directs City staff to prepare the requisite 28E Agreement. This vacant land is located south of Vandalia Road and west of SE 43rd Street. A Phase I environmental assessment was completed for the site in April 1998 which indicated that no further investigation is warranted. Ellen Walkowiak with the City's Office of Economic Development is coordinating the City activities relative to this project.

**SUBJECT:**  
  
LAND ACQUISITION  
IN THE PROPOSED  
DES MOINES  
AGRIBUSINESS  
PARK

**TYPE:**  
  
RESOLUTION  
ORDINANCE  
RECEIVE/FILE

**FISCAL IMPACT -**

**SUBMITTED BY:**  
  
ERIC A. ANDERSON  
CITY MANAGER

The Des Moines Water Works Board of Trustees is proposing to invest \$625,000 to acquire the land, which represents one-third of the \$1,873,685 purchase price. Additional funding sources for land acquisition will be identified by December 6, 1999, before action is taken to acquire.

**RECOMMENDATION -**

**Receive and file the letter from L.D. McMullen CEO and General Manager of the Des Moines Water Works and direct City staff to prepare the 28E Agreement for the Board of Water Works Trustees in order to cost-share the purchase of approximately 166 acres owned by ADM in the proposed Des Moines Agribusiness Park.**

## **BACKGROUND -**

On February 22, 1999 by Roll Call No. 99-537, Council authorized acquisition by negotiation or condemnation of approximately 166 acres in the proposed Des Moines Agribusiness Park located in the SE Agribusiness Urban Renewal Area. Carlson, McClure & Associates Inc. conducted an appraisal of the property on March 9, 1999 and determined that the fair market value at that time was \$1,416,270. ADM purchased the property in 1981 for \$2,988,000. The City has negotiated a purchase price of \$1,873,685 for the site. It is not recommended that we pursue condemnation.

On October 26, 1999, the Board of Water Works Trustees unanimously expressed their intent to invest \$625,000 as a partner with the City in purchasing the ADM land. They authorized their CEO and General Manager to negotiate the conditions of a 28E Agreement with the City.

Proposed conditions of the 28E Agreement include:

- “ Reimbursing the Des Moines Water Works the amount of its investment as the property is sold.
- “ Receiving a pro-rated share of any profit realized from the sale of the property.
- “ As a full partner, approving the sale of the property or portion thereof to a potential buyer.

The 28E Agreement is anticipated to be negotiated within three weeks. The Water Board of Trustees will consider the Agreement at its November 23, 1999 meeting. Upon their approval, the Council will be requested to enter into the Agreement and to execute the Offer to Purchase at its December 6, 1999 meeting. At this time, all funding sources will be identified and secured.



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