

Meeting Agendas/Info

CITY COUNCIL COMMUNICATION:	ITEM _____
01-373	OFFICE OF THE CITY MANAGER CITY OF DES MOINES, IOWA
AGENDA:	SYNOPSIS -
JULY 16, 2001	On the Council agenda is the first amendment to the Contract for Sale of Land for Private Redevelopment Metro Center Urban Renewal Project with Wells Fargo Financial, Inc. (approved by Roll Call No. 00-4401, dated November 20, 2000), license agreement, and a change order to the City's demolition contract for investigation and remediation of potential environmental contamination at the Wells Fargo Financial project site.
SUBJECT: FIRST AMENDMENT TO THE WELLS FARGO FINANCIAL, INC. CONTRACT	FISCAL IMPACT - The proposed contract amendment does not materially change the financial obligations of either the City or Wells Fargo Financial, Inc. The amendment allows for Wells Fargo Financial to close on approximately ¾ of the block for a payment of \$1.3 million on or before July 23, 2001, and close on the remaining portion of the block by September 15, 2001 for a payment of \$400,000.
TYPE: <u>RESOLUTION</u> ORDINANCE RECEIVE/FILE	The change order to the demolition contract with Metro Wrecking and Excavation, Inc. in an amount not to exceed \$50,000, will be paid from funds allocated to the Wells Fargo Financial, Inc. expansion project and funded as part of the approved Capital Improvement Program (CIP) from bond proceeds and the sale of land to Wells Fargo Financial, Inc.
SUBMITTED BY: RICHARD CLARK DEPUTY CITY MANAGER	RECOMMENDATION - Approval.
	BACKGROUND - The contract calls for the City to convey to Wells Fargo Financial, Inc. Block B by July 15, 2001 for a purchase price of \$1.7 million. Wells Fargo Financial, Inc. will construct on Block B a parking

garage with approximately 1,575 spaces at an anticipated cost of \$20 million.

The City has acquired possession to all the parcels comprising the block and in preparing the parcels for conveyance in accordance with the contract, the City's demolition contractor uncovered potential environmental contamination on a portion of the site to be conveyed. Additionally, in preparing the abstracts for transfer, a title objection was found that would prevent the transfer of title to one parcel.

The proposed amendment provides for total possession of the block to Wells Fargo Financial so the company may begin construction of the parking garage, while allowing the City additional time to investigate and, if needed, remediate the potential environmental contamination and convey $\frac{3}{4}$ of the block by July 23, 2001, and clear the technical title objection and convey title to the remaining portion of the block by September 15, 2001.
