



Council Communication

Office of the City Manager

Date	June 18, 2007
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Agenda Item No.	<u>40</u>
Roll Call No.	<u>07-</u>
Communication No.	<u>07-383</u>
Submitted by: Donald M. Tripp, Park and Recreation Director	

AGENDA HEADING:

Approving a cash farm lease with Robert Campfield for 166 Acres in the Des Moines Agribusiness Park.

SYNOPSIS:

Recommend approval to execute a cash farm lease with Robert Campfield of Runnells, Iowa for 166 acres of land located at the southwest corner of SE 43rd Street and Vandalia Road. If approved, the lease will begin retroactively on June 1, 2007, and terminate on November 30, 2007, with no option of renewal. In June 2007, Dan Cornelison, President of Vision Fuels, stated that the company does not anticipate developing the site until November 2007, so staff recommends pursuing this opportunity to generate revenues through a farm lease.

FISCAL IMPACT:

Amount: \$ 19,297.50

Funding Source: N/A.

ADDITIONAL INFORMATION:

On December 6, 1999, Council entered into an Intergovernmental 28E Agreement with the Des Moines Water Works for the purchase of an approximately 166-acre parcel owned by the Archer Daniels Midland Company (ADM) of Decatur, Illinois. Acquisition of the land was for the Des Moines Agrimergent Technology Park.

On April 17, 2000, Council entered into a cash farm lease of 166 acres of land located at the southwest corner of SE 43rd Street and Vandalia Road with Ken Murrow of Alleman, Iowa. The tenant leased the land until the fall of 2006 when it was anticipated the area would be needed for a project in the Des Moines Agrimergent Technology Park.

On January 22, 2007, Council entered into an urban renewal agreement with Vision Fuels Des Moines, LLC for the sale of 129 acres of the above-referenced 166-acre parcel. Vision Fuels plans to construct a minimum 110-million gallon, dry mill fuel ethanol production facility on this site. It is currently completing its business plan and obtaining financing. It also plans to propose to Council acquisition of the entire 166-acre site in summer/fall 2007.

In June 2007, Dan Cornelison, President of Vision Fuels, stated that the company does not anticipate developing the site until November 2007. The City decided to pursue an opportunity to generate revenue through a farm lease for the property. Mr. Cornelison agrees that the land should be farmed. If Vision Fuels needs the land sooner, it will pay the farmer directly for any loss of profits related to harvesting the crop before maturity.

PREVIOUS COUNCIL ACTION(S):

Date: January 22, 2007

Roll Call Number: 07-145

Action: [On](#) Urban Renewal Agreement for sale of land for private redevelopment with Vision Fuels Des Moines, L.L.C. ([Council Communication No. 07-044](#)) Moved by Meyer to adopt. Motion Carried 7-0.

Date: April 17, 2000

Roll Call Number: 00-1070

Action: Cash Farm Lease with Ken Murrow for approximately 166 acres located in the Southeast Agribusiness Urban Renewal Area at SE 43rd St. and Vandalia Road, for a period not to exceed three years. ([Council Communication No. 00-142](#)) Moved by Vlassis to adopt. Motion Carried 7-0.

Date: December 6, 1999

Roll Call Number: 99-3719

Action: Intergovernmental 28E Agreement with Des Moines Water Works for purchase of approximately 166 acres. Moved by Brooks to adopt. Motion Carried 5-2. Absent: Daniels and McPherson.

BOARD AND COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE