



**Council
Communication**
Office of the City Manager

Date April 7, 2008

Agenda Item No. 21
Roll Call No. ~~08-~~
Communication No. 08-201
Submitted by: **Jeb E. Brewer, P.E.**
City Engineer

AGENDA HEADING:

Approval of farm lease agreement for approximately 166 acres of City-owned property located in the Des Moines Agrimergent Technology Park at SE 43rd Street and Vandalia Road to David Marshall for \$54,365.

SYNOPSIS:

Approval of a farm lease agreement for approximately 166 acres of City-owned property located in the Des Moines Agrimergent Technology Park at SE 43rd Street and Vandalia Road to David Marshall for \$54,365. This land has been leased on an annual basis since the City purchased the property in 1999 for the Des Moines Agrimergent Technology Park. The leased area is the same site that has been proposed for construction of an ethanol facility by Vision Fuels and the farm lease will not affect the terms and conditions of the City's agreement with Vision Fuels.

FISCAL IMPACT:

Amount: \$54,365 (Annual revenue made in two (2) semi-annual payments of \$27,182.50.)

Funding Source: 2007-08 CIP, Page 5, Economic Development - Agrimergent Technology Park, URR035.

ADDITIONAL INFORMATION:

On February 11, 2008 a Request for Bid was mailed to 14 potential farm tenants regarding the leasing of the 166 acre property. On February 26, 2008, sealed bids from seven prospective tenants were opened. David C. Marshall, 6320 SE 60th Street, Carlisle, IA 50047 submitted the highest bid of \$327.50 per acre or \$54,365 per year. The negotiated lease agreement will terminate on November 1, 2008 and will not have any affect on the terms and conditions of the City's agreement with Vision Fuels for the proposed construction of an ethanol facility.

The leased area was originally purchased with federal funds, which requires all lease revenue to be deposited into the Agrimergent Technology Park account (URR035), which will be used to fund future eligible project costs. Proceeds from the rental of the land since 1999 have been deposited into URR035, including last year's rent of \$19,297, which is an increase of \$211.25 per acre or \$35,067.50 above last year's rent amount.

PREVIOUS COUNCIL ACTION(S):

Date: February 11, 2008

Roll Call Number: [08-263](#)

Action: [Addendum](#) to Urban Renewal Agreement for Sale of Land for Private Redevelopment with Vision Fuels Des Moines, L.L.C. for approximately 164 acres of City-owned land located south of Vandalia Road in the SE Agribusiness Park. ([Council Communication No. 08-066](#)) Moved by Meyer to adopt. Motion Carried 6-1. Nays: Cownie.

Date: June 18, 2007

Roll Call Number: [07-1179](#)

Action: [Lease](#) of farmland, in the vicinity of 43rd and Vandalia Road, to Robert Campfield for the 2007 growing season, \$19,297.50. ([Council Communication No. 07-383](#)) Moved by Coleman to adopt. Motion Carried 6-1.

Date: December 6, 1999

Roll Call Number: [99-3720](#)

Action: Approving Offer to Purchase approximately 166 acres owned by Archer Daniels Midland, ([Council Communication No. 99-512](#)) Moved by Brooks to adopt. Motion Carried 5-2. Absent: Daniels and McPherson.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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