

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date</b>	January 5, 2009
	<b>Agenda Item No. 11</b> <b>Roll Call No. <u>09-</u></b> <b>Communication No. <u>09-012</u></b> <b>Submitted by: Jeb E. Brewer, P.E., City Engineer and Matt Anderson, Economic Development Administrator</b>	

**AGENDA HEADING:**

Approving property acquisition settlement agreement with Benjamin A. Zenti and Louis A. Zenti, Property Owners, and Cee-Ver Products Inc., Tenant, for the Southeast Connector Project – SW 2<sup>nd</sup> to SE 6<sup>th</sup> Street Phase, and

Setting the Date of Hearing (at a special meeting on 1/12/09 immediately before the Council Workshop) for Acceptance and Approval of the Offer to Purchase from L & B Enterprises (dba Central Wire & Iron, Benjamin and Louis Zenti, Owners, 401 SE 4<sup>th</sup> Street, Des Moines, Iowa 50309) for Disposition Parcel No. 31A in the Guthrie Avenue Business Park Urban Renewal Area, for the Approval of the Urban Renewal Development Agreement with L & B Enterprises and Approving Form of Special Warranty Deed for Conveyance of Property.

**SYNOPSIS:**

Approval of property acquisition settlement agreement with Benjamin A. Zenti and Louis A. Zenti, Property Owners, and Cee-Ver Products Inc., Tenant, 401-407 SE 4<sup>th</sup> Street, Des Moines, Iowa, for the City's Southeast Connector Project – SW 2<sup>nd</sup> to SE 6<sup>th</sup> Street Phase. The City's Legal and Engineering Departments have negotiated a property acquisition settlement agreement in the amount of \$600,000, subject to fulfillment of certain conditions set forth in the Revised Offer to Purchase Real Estate and Acceptance between the parties.

In a related transaction, L & B Enterprises has submitted an offer to purchase and develop City-owned Disposition Parcel No.31A in the Guthrie Avenue Business Park. This 2.1 acre parcel is located on the east side of De Wolf Street at the intersection of Thompson and De Wolf Streets. The developer is proposing to construct a 10,000 square foot light industrial building at an estimated development cost of \$1.3 million. The Council is requested to:

- A. Approve the form of Special Warranty Deed
- B. Set the date of public hearing for January 12, 2009 for Council approval of the Urban Renewal Development Agreement and upon satisfactory completion of terms in the Urban Renewal Development Agreement as determined by the Legal Department, conveyance of the property to Louis and Benjamin Zenti.

**FISCAL IMPACT:**

Amount: Property Purchase: \$600,000 plus closing costs and incidental fees  
Land Sale: \$70,000 in revenue

Funding Source: Property Purchase: 2008-09 CIP, Street Improvements, SE Connector – SW 2<sup>nd</sup> to SE 6<sup>th</sup>, STR214, Page Street Improvements – 38

Land Sale: Proceeds will be deposited into an Office of Economic Development account which is yet to be determined.

**ADDITIONAL INFORMATION:**

The SE Connector Project provides for a four-lane extension of the east/west segment of Martin Luther King Jr. Parkway across the Des Moines River to S.E. 6<sup>th</sup> Street. The project will improve access to the central business district, reduce traffic congestion, noise, and pollution, and provide better access for industrial areas in the central city.

On April 25, 2005, by Roll Call No. 05-969, the City Council authorized the acquisition by gift, negotiation, or condemnation, of the right-of-way required to construct the Southeast Connector Project – SW 2<sup>nd</sup> to SE 6<sup>th</sup> Street Phase. On November 9, 2007, the City received authorization from the Iowa Department of Transportation (DOT) to commence acquisition of all necessary property interests for this project.

Louis A. Zenti and Benjamin A. Zenti, d/b/a Central Wire and Iron, are the owners of 401-407 SE 4<sup>th</sup> Street and 508 Allen Street, which must be acquired as part of the Southeast Connector Project. The acquisition of this property for the Southeast Connector Project will require relocation of the existing business, which specializes in the manufacture of woven steel fencing. The Zentis have offered \$70,000 to the City of Des Moines for the purchase of 2.1 acres of City-owned property located in the Guthrie Avenue Business Park lying north of and adjoining 2001 De Wolf Street in order to relocate their business. The total estimated cost of building construction and site preparation for the new facility is \$1.3 million. Construction is proposed to start in April 2009, and be completed by December 30, 2009. The relocation of this business to the Guthrie Avenue Business Park will allow the City of Des Moines to retain a long standing local business in the community.

The City's Legal and Engineering Departments have negotiated a property acquisition settlement agreement with Louis A. Zenti and Benjamin A. Zenti, owners, and Cee-Ver Products Inc., tenant, by which the City will pay consideration in the amount of \$600,000 to the Zentis and Cee-Ver Products Inc. for acquisition of the full fee interest and all tenant interests in the property required for the project, upon fulfillment of conditions set forth in the Revised Offer to Purchase Real Estate and Acceptance between the parties. This amount is within a range supported by the City's most recent independent appraisal, is within DOT guidelines, and will allow for City possession of the property as allowed by DOT.

**PREVIOUS COUNCIL ACTION(S):**

Date: December 22, 2008

Roll Call Number: 08-2232

Action: Resolution Approving Preliminary Terms of Agreement with Central Wire and Iron for acquisition of property at 401 SE 4<sup>th</sup> Street and Purchase of Property in the Guthrie Avenue Business Park. Moved by Mahaffey to adopt. Motion Carried 7-0.

Date: July 14, 2007

Roll Call Number: 08-1213

Action: Regarding an offer from Louis and Benjamin Zenti dba Central Wire and Iron, 401 SE 4<sup>th</sup> Street, to purchase real estate in the Guthrie Business Park for construction of a light industrial business. (Council Communication No. 08-415) Moved by Mahaffey to receive and file, and to direct the City Manager to proceed with negotiations toward a final agreement for further consideration by the City Council. Motion Carried 7-0.

Date: July 14, 2008

Roll Call Number: 08-1213

Action: Regarding an offer from Louis and Benjamin Zenti dba Central Wire and Iron, 401 SE 4<sup>th</sup> Street, to purchase real estate in the Guthrie Business Park for construction of a light industrial business. (Council Communication No. 08-415) Moved by Mahaffey to receive and file, and to direct the City Manager to proceed with negotiations toward a final agreement for further consideration by the City Council. Motion Carried 7-0.

Date: April 25, 2005

Roll Call Number: 05-969

Action: Authorization to proceed with acquisition of the necessary right-of-way and easements for the SE Connector Project from SW 2<sup>nd</sup> Street to SE 14<sup>th</sup> Street. Moved by Vlassis to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S):**

Date: June 17, 2008

Roll Call Number: N/A

Action: The Urban Design Review Board approved the Preliminary Design for the Central Wire and Iron facility on proposed site within Guthrie Avenue Business Park, and to direct the owners to continue to work with staff on minimum site requirements

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

The Urban Design Review Board will meet January 6, 2009 to review the Minimum Development Requirements, Proposed Financial Assistance and Preliminary Design for the L & B Enterprises development in the Guthrie Avenue Business Park.

City Council will hold the hearing in January 2009 for the sale of land in Guthrie Avenue Business Park and final approval of Urban Renewal Development Agreement.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the second floor of City Hall, 400 Robert D Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to [cityclerk@dmgov.org](mailto:cityclerk@dmgov.org).