

 <p style="text-align: center;"><b>Council</b> <b>Communication</b> Office of the City Manager</p>	<b>Date</b>	January 12, 2009
	<b>Agenda Item No.</b> <b>3</b> <b>Roll Call No.</b> <b><u>09-</u></b> <b>Communication No.</b> <b><u>09-014</u></b> <b>Submitted by: Matthew A. Anderson, Economic Development Administrator</b>	

**AGENDA HEADING:**

Resolution to Hold Public Hearing for the Acceptance and Approval of the Offer to Purchase Property from L & B Enterprises, LLC for Disposition Parcel No. 31A in the Guthrie Avenue Business Park Urban Renewal Area; Approval of the Conveyance of Parcel 31A Through Special Warranty Deed, and Approval of the Final Terms of an Urban Renewal Development Agreement with L & B Enterprises, LLC (dba Central Wire & Iron, Benjamin and Louis Zenti, Owners, 401 SE 4<sup>th</sup> Street, Des Moines, Iowa 50309).

**SYNOPSIS:**

L & B Enterprises, LLC has submitted an offer to purchase City-owned Disposition Parcel No.31A in the Guthrie Avenue Business Park. L & B Enterprises will construct a 10,000 square foot building on the site to house their light industrial manufacturing business, which is being relocated from their current site at 401 SE 4<sup>th</sup> Street to allow for construction of the SE Connector. The project has an estimated development cost of \$1.3 million, and will allow the City of Des Moines to retain a long standing locally owned business in the community.

An Urban Renewal Development Agreement has been prepared to specify terms of conveyance and development of Parcel 31A and the terms of financial assistance for the project. Preliminary Terms of Agreement were approved by City Council on December 22, 2008 by Roll Call 08-2232.

The Council is requested to:

- A. Approve the Urban Renewal Development Agreement with L & B Enterprises
- B. Accept and Approve the offer to Purchase Property received from L & B Enterprises
- C. Upon satisfactory completion of terms in the Urban Renewal Development Agreement as determined by the Legal Department, convey Parcel 31A to L & B Enterprises.

**FISCAL IMPACT:**

Amount: \$70,000 Revenue for sale of Disposition Parcel 31A in Guthrie Avenue Business Park; 3 year 100% tax abatement, as is standard in Guthrie Avenue Business Park, and an Economic Development Assistance Grant equivalent to 100% of the TIF generated for years 4-10 based on a minimum tax assessment agreement. A \$20,000 Economic Development Assistance Grant for job retention will be provided at the time of building occupancy, generated from the Guthrie Avenue Urban Renewal Area.

Funding Source: Land sale proceeds from L & B Enterprises; Guthrie Avenue Urban Renewal Area

**ADDITIONAL INFORMATION:**

On January 5, 2009 by Roll Call 09-13, City Council approved a Property Acquisition Settlement Agreement with Benjamin A. Zenti, property owner at 401 SE 4<sup>th</sup> Street and CEE-Ver Products, Inc., tenant for Southeast Connector Project – SW 2<sup>nd</sup> to SE 6<sup>th</sup> Street Phase.

**PREVIOUS COUNCIL ACTION(S):**

Date: January 5, 2009

Roll Call Number: 09-14

Action: Setting the Date of Hearing for Acceptance and Approval of the Offer of Purchase from L & B Enterprises (d/b/a Central Wire & Iron, Benjamin and Louis Zenti, Owners, 401 SE 4th Street) for Disposition Parcel No. 31A in the Guthrie Avenue Business Park Urban Renewal Area; and Setting the Date of Hearing for the Approval of the Urban Renewal Development Agreement with L & B Enterprises and approving form of Special Warranty Deed for conveyance of property, (1-12-09 at 7:30 AM).

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. (Council Communication No. 08-759) Sponsor: Mahaffey 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 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: January 6, 2009

Roll Call Number: N/A

Action: The Urban Design Review Board approved the Preliminary and Final Design and Proposed Financial Assistance Package for L & B Enterprises in the Guthrie Avenue Business Park, Parcel 31A.

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: NONE**

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