

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date	April 20, 2009
	Agenda Item No. 65 Roll Call No. <u>09-</u> Communication No. <u>09-232</u> Submitted by: Matthew Anderson, Economic Development Administrator	

AGENDA HEADING:

Resolution to receive and file a proposal from Helena Industries to purchase land and refer to the City Manager for further review and negotiation.

SYNOPSIS:

Helena Industries (Troy L. Huguen, Plant Manager, P.O. Box 5004, Des Moines, Iowa 50306) has submitted a proposal to purchase approximately 20 acres of land from the City of Des Moines in the SE Agribusiness Park. The parcel is located directly east of Helena Industries' current facility at 3525 Vandalia Road and would be utilized for future expansion of the chemical company.

FISCAL IMPACT:

Amount: To be determined. Proceeds will include option payment and land sale proceeds from Helena Industries to the City of Des Moines. Per the land acquisition 28E Agreement with Des Moines Water Works, Water Works will receive one-third of the sales proceeds, up to their initial \$625,000 investment.

Funding Sources: N/A

ADDITIONAL INFORMATION:

Helena Industries specializes in the formulation, blending, filling and packaging of chemical products, and has been operating in the City of Des Moines since 1959. The company's historical focus has been the agricultural and turf markets, but they have prioritized diversification of their services in recent years. The company has 70 full time employees and a contract labor force ranging from 20 to 60 staff members. Helena Industries has set growth records at this location for six of the past seven years. In 2008, the company invested nearly \$8 million in projects and improvements at this site to provide for continued growth.

The company's success and business growth have utilized all of the available space at their current site. Rather than choose to expand operations in one of their other sites in the nation (California, Arkansas or Georgia), Helena Industries prefers to remain within the City of Des Moines. The ability of the company to secure contiguous property to meet their long range expansion needs is critical, and the ability to purchase acres in the SE Agribusiness Park will meet that need.

The 20 acres under consideration are part of a larger 160 acre parcel owned by the city. This parcel was previously considered a site for a potential ethanol plant. The 20 acres considered by Helena will be configured to maximize the development potential of the remaining 140 acres.

PREVIOUS COUNCIL ACTION(S):

Date: December 6, 1999

Roll Call Number: 09-3719 and 09-3720

Action: Items regarding proposed Des Moines Agribusiness Park in the Southeast Agribusiness Urban Renewal Area:

99-3719 (A) 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.

99-3720 (B) 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:

Terms and conditions of an Urban Renewal Development Agreement will be negotiated and presented to the City Council for review at a future meeting.

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.