



Council Communication

Office of the City Manager

Date May 4, 2009

Agenda Item No. 58
Roll Call No. 09-
Communication No. 09-282
Submitted by: **Jeb E. Brewer, P.E.**
City Engineer

AGENDA HEADING:

Hearing and approval of Farm Lease Agreement for approximately 241 acres of City-owned property located in the Des Moines Agrimergent Technology Park at SE 43rd Street and Vandalia Road to Robert L. Campfield for \$69,289.91.

SYNOPSIS:

Recommend approval of a farm lease agreement for approximately 241 acres of City-owned property located in the Des Moines Agrimergent Technology Park at SE 43rd Street and Vandalia Road to Robert L. Campfield, 11281 SE 56th Avenue, Runnells, IA 50237, for \$69,289.91. The land south of Vandalia Road has been leased on an annual basis since the City purchased the property in 1999 for the Des Moines Agrimergent Technology Park. The city-owned land north of Vandalia Road was first leased for farming in 2008. There are currently no pending development proposals that would be affected by a lease on the property.

FISCAL IMPACT:

Amount: \$69,289.91 annual revenue made in two (2) semi-annual payments of \$34,644.95 and \$34,644.96.

Funding Source: 2009-2010 CIP, Page 4, Economic Development - Agrimergent Technology Park, URR035.

ADDITIONAL INFORMATION:

On February 20, 2009 a Request for Bid prepared by the City's Real Estate Division was mailed to 14 potential farm tenants regarding the leasing of the 241 acre property. On March 13, 2009, sealed bids from three prospective tenants were opened. Robert L. Campfield submitted the highest bid of \$287.51 per acre or \$69,289.91 per year. The negotiated Lease Agreement will automatically renew each year at the current price per acre, unless terminated by the tenant or by the City of Des Moines for any reason by issuing a Notice of Termination of Farm Tenancy prior to September 1st of each year. Additional property within the Des Moines Agrimergent Technology Park can be added to the total number of acres that can be leased for farming at the time of each lease renewal if both parties so choose, with the Real Estate Division Manager authorized to approve and execute such amendment on behalf of the City; any amendments will be in accordance with the terms and conditions of the Farm Lease Agreement and rent will be paid at \$287.51 per acre for the added land.

The leased area includes the former Archer Daniels Midland site south of Vandalia Road and numerous parcels north of Vandalia Road that have been assembled into a larger, contiguous parcel that is also suitable for farming until the area is redeveloped. All lease revenue will be deposited into the Agrimergent Technology Park account (URR035), which will be used to fund future eligible project costs.

PREVIOUS COUNCIL ACTION(S):

Date: April 7, 2008

Roll Call Number: 08-562

Action: Approving Farm Lease Agreement for approximately 166 acres of city-owned property in the Des Moines Agrimergent Technology Park at SE 43rd Street and Vandalia Road to David Marshall, \$54,365. (Council Communication No. 08-201) Moved by Vlassis to adopt. Motion Carried 6-1.

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.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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