

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: August 10, 2015
	Agenda Item No. 21 Roll Call No. <u>15-1354</u> Communication No. <u>15-433</u> Submitted by: Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Resolution authorizing the City Manager to negotiate agreement based on preliminary terms with Doll Distributing, LLC, 1901 De Wolf Street (Guthrie Avenue Business Park).

SYNOPSIS:

Doll Distributing, LLC (Mark Doll, CEO, 815 South Branch Waukee, Iowa 50263) has submitted a developer-initiated proposal to purchase City-owned land in the Guthrie Avenue Business Park Urban Renewal Area. The property is located south of Thompson Avenue to E. Jefferson Avenue on De Wolf Street. The developer is proposing to expand their existing operations at 1901 De Wolf Street with additional space for truck circulation to enhance their freight based distribution operations. The land purchased from the City will provide for meeting open space requirements the expansion work. The Council is currently requested to receive and file the developer-initiated proposal as described herein, and to direct the City Manager to proceed with negotiation of a development agreement with Doll Distributing.

FISCAL IMPACT:

Amount: The Company will purchase City-owned land at fair market value for an estimated \$66,908.70, which is based upon fair market value of \$1.35 per square-foot by 49,562-square-feet. A Good Faith Deposit will be provided in the amount of \$6,690.87 with the submission of the Urban Renewal Development Agreement. At the time of closing, the developer will receive credit for the Good Faith Deposit, credit for the lowest of three (3) bids received for survey of the property, and credit for disposing/remediating the soil stockpile currently located on the property.

Funding Source: Land sales proceeds from Doll Distributing, LLC to be re-deposited in the Guthrie Avenue Urban Renewal Area.

ADDITIONAL INFORMATION:

In 1988, the City Council adopted the Guthrie Avenue Business Park Urban Renewal Plan in order to accommodate the growth and development of office/warehouse/distribution and light manufacturing facilities in Des Moines so as to diversify the local economy. The park is located near the Guthrie Avenue entrance to I-235, providing optimum connectivity for goods movement and distribution in and out of the business park. The first business was constructed in October 1994. Since that time, developers and owner occupied businesses have invested over \$30 million to construct 814,400-square-foot in 16 new buildings. Approximately 700 jobs have been created.

The business composition of the Guthrie Avenue Business Park includes but is not limited to electrical products, coin operated vending equipment, automotive parts and other distribution as well as book binding, preservation of aged books/manuscripts and construction contracting.

Doll Distributing (formerly Nesbit) has been located at 1901 De Wolf in the Guthrie Avenue Business Park since 1995. The selection of their current site was motivated in large part by the direct access to rail. Rail is no longer a means of transporting their products, so the company was left with a critical decision to make regarding their future. The ability to add to their current 135,000-square-foot facility in 2009 and enhance their freight operations solidified their decision to remain in Guthrie Avenue Business Park and within the City of Des Moines. The currently proposed project will do the same.

Doll Distributing employs 200 people in the City of Des Moines and approximately 300 people statewide. The Guthrie Avenue Business Park site serves as the company's corporate headquarters. The purchase of land will provide additional ability for the company to enhance their truck circulation and loading/unloading activities.

The total estimated cost of site preparation and development for the currently proposed project is \$500,000. The land will be sold for an estimated \$66,908.70, with a Good Faith Deposit in the amount of \$6,690.87 to be provided with the submission of the Urban Renewal Development Agreement. At the time of closing, the developer will receive credit for the Good Faith Deposit, credit for the lowest of three (3) bids received for survey of the property, and credit for disposing/remediating the soil stockpile currently located on the property. Construction is proposed to begin in fall 2015 and will be completed by December 30, 2015.

Doll Distributing's redevelopment proposal will be reviewed by the Urban Design Review Board under the Minimum Development Requirements, which are in accordance with the Guthrie Avenue Business Park Urban Renewal Plan and the current zoning ordinance.

PREVIOUS COUNCIL ACTION(S):

Date: December 21, 2009

Roll Call Number: [09-2292](#)

Action: Issuance of Certificate of Completion for the following:

- (A) [Doll](#) Distributing LLC for improvements in the Guthrie Avenue Urban Renewal Area. ([Council Communication No. 09-884](#)) Moved by Mahaffey to adopt. Motion Carried 7-0.

Date: April 20, 2009

Roll Call Number: [09-0678](#)

Action: [On](#) Urban Renewal Development Agreement with Doll Distributing LLC and conveyance of Disposition Parcel No. 28A in the Guthrie Avenue Business Park Urban Renewal Area. ([Council Communication No. 09-228](#)) Moved by Mahaffey to adopt. Motion Carried 7-0.

Date: February 23, 2009

Roll Call Number: [09-0291](#)

Action: [Accepting](#) Developer-initiated Redevelopment Proposal from Doll Distributing, LLC to redevelop Disposition Parcel No. 28A (South of Thompson Avenue to E. Jefferson Avenue on DeWolf Street) in the Guthrie Avenue Business Park Urban Renewal Area. ([Council Communication No. 09-081](#)) Moved by Hensley to adopt. Motion carried 7-0.

BOARD/COMMISSION ACTION(S):

Date: December 16, 2008

Roll Call Number: N/A

Action: Urban Design Review Board approved minimum development requirements and competitive criteria for disposition of property in Guthrie Avenue Business Park.

Date: December 2, 2008

Roll Call Number: N/A

Action: Urban Design Review Board approved preliminary design for Doll Distributing redevelopment.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

The City Council will consider an Urban Renewal Development Agreement with Doll Distributing for Disposition Parcel No. 28A.

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