

 <p style="text-align: center;"><b>Council</b> <b>Communication</b> Office of the City Manager</p>	<b>Date:</b>	May 23, 2016
	<b>Agenda Item No.</b>	<b>20</b>
	<b>Roll Call No.</b>	[ _____ ]
	<b>Communication No.</b>	<u>16-275</u>
	<b>Submitted by:</b>	<b>Matthew A. Anderson,</b> <b>Assistant City Manager</b>

**AGENDA HEADING:**

Actions related to the sale of City owned land in the SE Agrimergent Business Park to Crossroads Cold Storage, LLC.

**SYNOPSIS:**

Roll calls for this agenda item approve the following actions related to the Crossroads Cold Storage, LLC:

- Set hearing for sale of 24.25 acres of City owned land in the in the vicinity of the 3801 block of Vandalia Road in the SE Agrimergent Business Park for June 27, 2016.
- Set hearing for sale of option to purchase an additional 18.71 acres of City owned land in the vicinity of the 3801 block of Vandalia Road in the SE Agrimergent Business Park for June 27, 2016.
- Set hearing for the 7<sup>th</sup> amendment to the SE Agribusiness Urban Renewal Plan for June 27, 2016 for sale of land and provision of project generated tax increment finance (TIF) assistance to Crossroads Cold Storage, LLC.
- Resolution providing for Right of Entry to City owned land to Crossroads Cold Storage, LLC for the purpose of removing fill material in accordance with a City approved grading plan.

**FISCAL IMPACT:**

Amount: Five (5) Year Graduated Industrial Tax Exemption followed by 75% project generated TIF for 11 years. NPV = \$2,229,279 If project is not deemed eligible for the five (5) Year graduated Industrial Exemption, 75% project generated TIF for 10 years followed by 50% project generated TIF for five (5) years. NPV = \$2,239,222; Land sale proceeds \$363,750.

Funding Source: State of Iowa Chapter 427B Industrial Tax Exemption; Project generated tax increment in the SE Agribusiness Urban Renewal Area; Land Sale Proceeds

**ADDITIONAL INFORMATION:**

Crossroads Cold Storage, LLC. (John Paul Muelhaupt, President, Des Moines Cold Storage, Inc. 800 New York Avenue Des Moines, Iowa 50313) proposed to purchase land from the City of Des Moines in the SE Agrimergent Park for their relocation and expansion project. The purchase of City-owned land will provide the area necessary for construction of a modern and efficient sustainably designed and constructed facility while retaining the business in the City of Des Moines. The first phase of development is proposed to include an estimated \$18M project with an estimated 110,913-square-foot facility. Facilities owned by the company at 800 New York Avenue and 4770 NE 17<sup>th</sup> Court in

unincorporated Polk County will remain operational for now, with future expansion and growth planned at the SE Agrimergent Business Park.

Referenced public hearings will provide ability to proceed with actions necessary to facilitate the action approved by City Council on April 11, 2016, by Roll Call No. 16-0584, regarding the Crossroads Cold Storage relocation and expansion project.

**PREVIOUS COUNCIL ACTION(S):**

Date: April 11, 2016

Roll Call Number: [16-0584](#)

Action: [Authorizing](#) the City Manager to complete negotiations for an Urban Renewal Development Agreement with Crossroads Cold Storage, LLC based on preliminary terms for sale of land in the SE Agrimergent Business Park. ([Council Communication No. 16-169](#)) Moved by Coleman to adopt. Motion Carried 7-0.

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

Board: Urban Design Review Board

Date: May 3, 2016

Resolution Number: N/A

Action: Motion to approve the financial assistance according to Schedule 1 if the project is eligible for the Chapter 427 B Industrial tax exemption or Schedule 2 if the project is not eligible for the exemption by Hielkema. Seconded by Dietz-Kilen. Yes – 6, No – 0, Abstain – 1, Absent – 4.

Motion to approve the final design as presented by Reynolds. Seconded by Dietz-Kilen. Yes – 6, No – 0, Abstain – 1, Absent – 4.

Board: Urban Design Review Board

Date: April 19, 2016

Resolution Number: N/A

Action: Motion to approve the preliminary design as presented based on Board comments by Reynolds. Seconded by Hielkema. Yes – 7, No – 0, Abstain – 0, Absent – 4.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

- Hold hearings for sale and hearing for sale of option to purchase City owned land on June 27, 2016.

- Hold taxing entities meeting for 7<sup>th</sup> amendment to the SE Agribusiness Urban Renewal Plan.
- Hold hearing for the 7<sup>th</sup> amendment to the SE Agribusiness Urban Renewal Plan on June 27, 2016.
- Council Resolution of Support for Crossroads Cold Storage, LLC Application for Business Assistance to the Iowa Economic Development Authority (IEDA) on June 27, 2016.

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 first floor of City Administration Building, 400 E. Court Avenue Ste.116. 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).