 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> August 8, 2016
	<b>Agenda Item No.</b> 50 <b>Roll Call No.</b> <u>16-1359</u> <b>Communication No.</b> <u>16-438</u> <b>Submitted by:</b> Matthew A. Anderson, Assistant City Manager, Pamela S. Cooksey, P.E., City Engineer

**AGENDA HEADING:**

Hold hearing for conveyance of excess City-owned real property currently leased to the Des Moines Airport Authority and located at the southeast corner of Highway 28 and Army Post Road adjoining 4240 Army Post Road to Electro Management Corporation for \$512,000.

**SYNOPSIS:**

Recommend approval of the conveyance of excess City-owned real property currently leased to the Des Moines Airport Authority and located at the southeast corner of Highway 28 and Army Post Road adjoining 4240 Army Post Road to Electro Management Corporation, Britt Baker, Chief Executive Officer, 111 SW Jackson Street, Des Moines, Iowa, 50315, for \$512,000.00, subject to obtaining both noise and avigation easements, and a reservation of utility easement, and further subject to the terms and conditions contained in the Offer to Purchase Real Estate from the City of Des Moines and Acceptance.

The sale of this excess City-owned property will allow Electro Management Corporation to develop the site, thereby aiding in the growth of their business. This action is required by Iowa law prior to making a final determination on the proposed sale by resolution. The lease agreement between the City of Des Moines and the Des Moines Airport Authority covering the portion of property being sold will be extinguished prior to conveying the property to Electro Management Corporation. There is no current or anticipated public need or benefit for the property to be conveyed.

The property was originally acquired with Federal Aviation Administration funds for airport purposes and all land sales proceeds must be returned to the Des Moines Airport Authority in accordance with federal law.

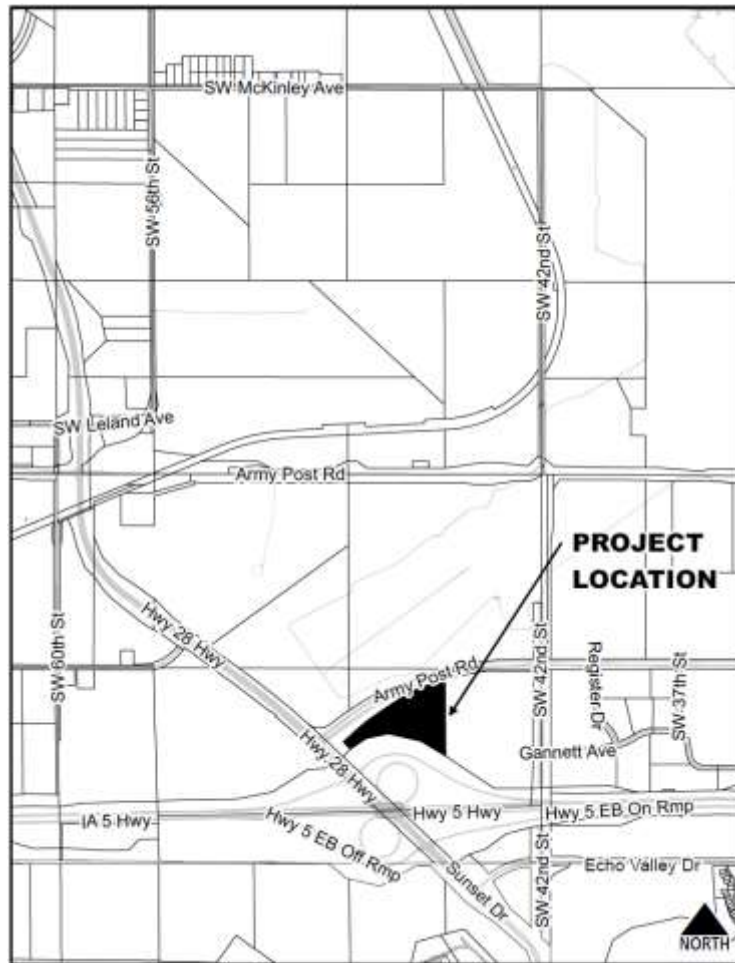
**FISCAL IMPACT:**

Amount: \$512,000 (Revenue to Des Moines Airport Authority)

Funding Source: Initially, the land sales proceeds must be deposited into the City’s non-project related land sale proceeds account: Org – EG064090. Immediately following the deposit, the City must issue an equal payment to the Des Moines Airport Authority in accordance with federal law.

**ADDITIONAL INFORMATION:**

- The Des Moines Airport Authority has obtained approval to sell the property from the Federal Aviation Administration, subject to reservation of a Noise and Avigation Easement.
- On June 14, 2016, by Roll Call No. A16-047, the Des Moines Airport Authority Board voted to recommend that the City of Des Moines proceed with the sale of Property, which is currently leased to the Des Moines Airport Authority by the City of Des Moines.
- On June 27, 2016, by Roll Call No. 16-1038, the City Council of the City Des Moines, Iowa voted to receive and file the Des Moines Airport Authority Board's recommendation to proceed with the sale.
- The City of Des Moines and Electro Management Corporation have negotiated a purchase agreement for the Property that includes a purchase price of \$512,000, subject to the reservation of easements for utilities in place, subject to Electro management Corporation conveying a noise and avigation easement to the Des Moines Airport Authority, and further subject to the termination of the portion of the Real Estate Lease and Asset Transfer Agreement dated November 1, 2011, between the Des Moines Airport Authority and the City of Des Moines, Iowa, that currently encumbers the property.
- The property to be conveyed consists of approximately 694,053 square feet, and the purchase price of \$512,000 reflects the fair market value of the property as determined by an independent appraisal dated November 11, 2015. There is no known current or future public need for the property and the City and the Des Moines Airport Authority will not be inconvenienced by the sale of the property.
- Initially, the land sales proceeds must be deposited into the City's non-project related land sale proceeds account: Org – EG064090. Immediately following the deposit, the City must issue an equal payment to the Des Moines Airport Authority in accordance with federal law.



**PREVIOUS COUNCIL ACTION(S):**

Date: July 25, 2016

Roll Call Number: [16-1196](#)

Action: [On](#) conveyance of excess City-owned property currently leased to the Des Moines Airport Authority and located at the southeast corner of Highway 28 and Army Post Road adjoining 4240 Army Post Road to Electro Management Corp., \$512,000, (8-8-16). Moved by Hensley to adopt. Motion Carried 7-0.

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

Board: Des Moines Airport Authority Board

Date: June 14, 2016

Resolution Number: A16-047

Action: Consider a Temporary/Right of Entry and a Form of Purchase and Sale Contract with Electro Management Corporation (Bryan). Ms. Ward moved to approve. Mr. Christensen seconded. Motion Carried: 5-0-0-0 Yeas: Christensen, Feldmann, Hansell, Levy and Ward Nays: 0 Abstained: 0 Absent: 0.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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