


COUNCIL COMMUNICATION

	Number:	19-034	Meeting:	January 28, 2019
	Agenda Item:	42	Roll Call:	19-156
	Submitted by:	Erin Olson-Douglas, Economic Development Director		

AGENDA HEADING:

Hold hearing on acceptance of purchase agreement and conveyance of City-owned property at 111 Jefferson Avenue to 111 Jefferson Ave LLC for commercial redevelopment within the Central Place Industrial Park.

SYNOPSIS:

111 Jefferson Ave LLC (T. Michael Price, Managing Member, 1540 Roseman Bridge Road, Winterset, IA, 50273) offers to purchase the City-owned property locally known as 111 Jefferson Avenue, Des Moines, for commercial redevelopment of a warehouse for use by tenant, Commonwealth Electric of the Midwest. The commercial warehouse is proposed to be a minimum of 8,000 square feet, with additional lot area to support future expansion. Commonwealth Electric of the Midwest is a multi-state full service electrical and communications contractor, with a regional office and warehouse located at 1530 2nd Avenue. The new warehouse will facilitate the company's continued growth and employment in the Des Moines area.

FISCAL IMPACT:

Amount: \$43,500

Funding Source: Sale of land proceeds to be deposited into Central Place Industrial Park Urban Renewal Account.

ADDITIONAL INFORMATION:

Conditions of the sale include:

- 1) Closing on the Property is subject to completion of the following conditions precedent:
 - a) City approval of a site plan for the construction of any proposed improvements on the Property, in accordance with City ordinances, and the Central Place Industrial Park Urban Renewal Agreement.
 - b) A determination by applicable City staff that the proposed improvements qualify for commercial tax abatement under the City's 3rd Restated Urban Revitalization Plan.
 - c) A recommendation of approval by the City's Urban Design Review Board of a Conceptual Development Plan showing the proposed improvements on the Property.

- 2) Buyer will conduct its own due diligence. In the event environmental contamination is discovered on the Property, Buyer may elect to cancel the purchase offer or remediate said contamination. If Buyer chooses to remediate said environmental contamination, then Buyer may receive a credit toward the purchase price in the lesser of \$20,000 or the amount of the lowest of three (3) bids from independent contractors, determined by the City to be qualified estimating the cost of removing and properly disposing of and/or remediating the environmental contamination. Such credit amount shall only be issued as applicable, and shall in no event exceed \$20,000 regardless of estimate amount(s).
- 3) Closing to occur on or about April 1, 2019.

PREVIOUS COUNCIL ACTION(S):

Date: January 14, 2019

Roll Call Number: [19-0037](#)

Action: [On](#) vacation of alley right-of-way and conveyance of a portion of alley right-of-way and other City-owned property at 111 Jefferson Avenue to 111 Jefferson Ave LLC for commercial redevelopment within the Central Place Industrial Park, (1-28-19). Moved by Gatto to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Plan and Zoning Commission

Date: January 17, 2019

Resolution Number: #11-2018-1.31

Action: Approval of recommendation to City Council on request from the City of Des Moines (owner), 106 Franklin Avenue and 101 & 111 Jefferson Avenue, represented by Phillip Wageman (Real Estate Manager) for vacation of the adjoining east/west alley Right-of-Way between Franklin Avenue and Jefferson Avenue from Ohio Street to its terminus 410 feet to the west.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Approval of conveyance documents following completion of conditions precedent to closing.

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