


COUNCIL COMMUNICATION

	Number:	19-304	Meeting:	July 15, 2019
	Agenda Item:	65	Roll Call:	19-1150
	Submitted by:	Steven L. Naber, P.E., City Engineer and Erin Olson-Douglas, Economic Development Director		

AGENDA HEADING:

Hearing for approval of documents for conveyance of excess City property locally known as 2516, 2600, 2605, and 2607 Sunset Road to Iowa Pacific Processors, Inc. for \$162,900, and granting an Option to Purchase Real Property on approximately 1.55-acres of additional excess City property to Iowa Pacific Processors, Inc. for \$1,000.

SYNOPSIS:

Recommend approval of conveyance of excess City-owned property locally known as 2516, 2600, 2605, and 2607 Sunset Road to Iowa Pacific Processors, Inc., Michael Everett, President, 2606 Sunset Road, Des Moines, Iowa 50321, for \$162,900. Sale is subject to the reservation of easements for utilities in place, and restrictive covenants that the project constructed shall be in substantial conformance with the Conceptual Development Plan approved by the City's Urban Design Review Board and with the Commercial Tax Abatement Construction and Design Sustainability Guidelines, in accordance with a City-approved site plan; and the granting of an Option to Purchase Real Property on approximately 1.55-acres of additional excess City property to Iowa Pacific Processors, Inc. for \$1,000.

The sale of this excess City-owned property will allow Iowa Pacific Processors, Inc. to significantly expand their meat processing and distribution operations, allowing their business to grow and meet the demand of their customers. This action is required by Iowa law prior to making a final determination on the proposed sale by resolution. There is no current or anticipated public need for this property, and this conveyance will eliminate future maintenance and liability costs for the City and will return the property to the tax rolls.

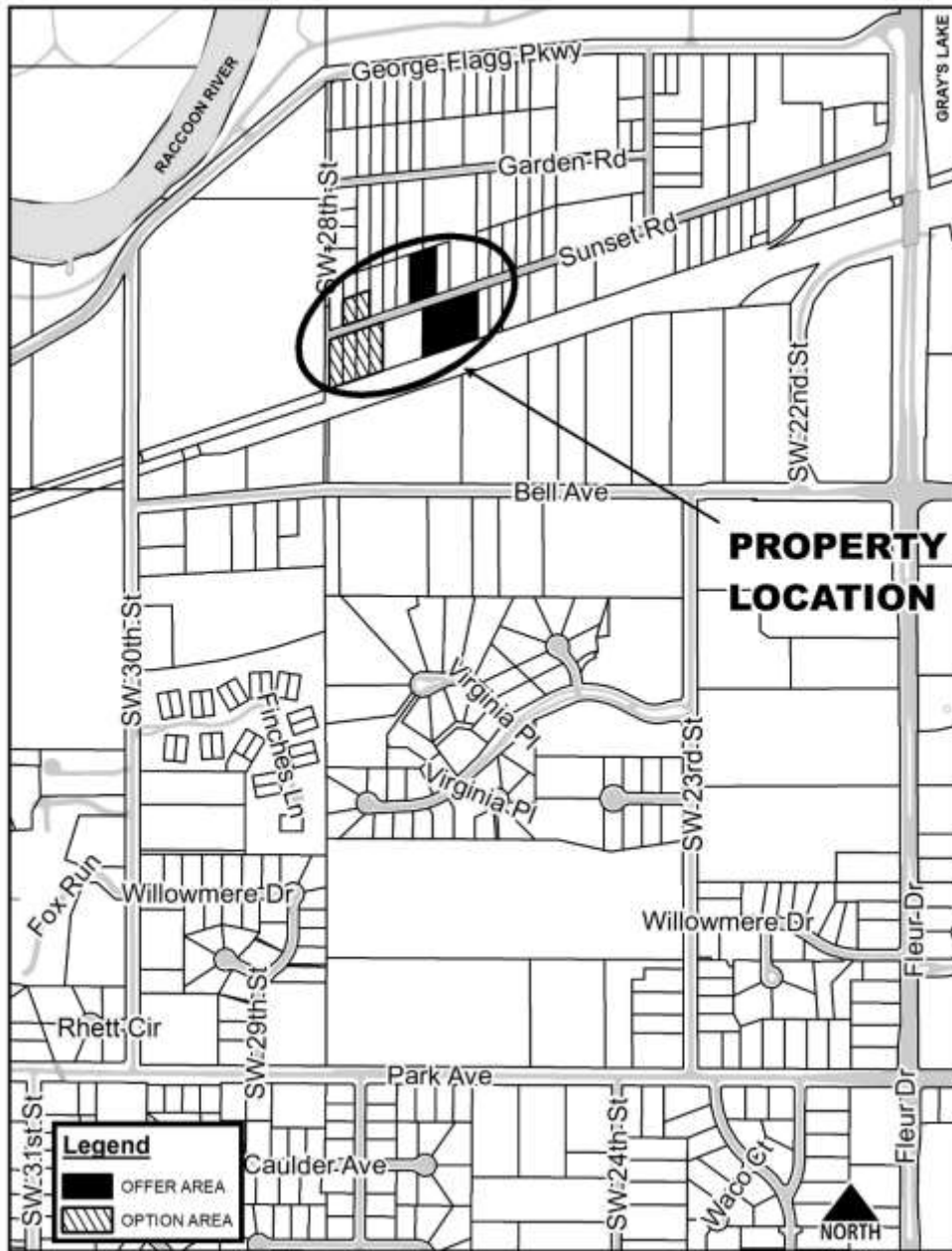
FISCAL IMPACT:

Amount: \$163,900 (Revenue), plus \$135,100 (Revenue) if option is exercised by buyer

Funding Source: Non-project related land sale proceeds are used to support general operating budget expenses: Org – EG064090.

ADDITIONAL INFORMATION:

- Iowa Pacific Processors Inc. has been in business since 1995 and is currently located at 2606 Sunset Road. The company processes and ships various meat and value-added protein sources to a host of domestic and international clients and the restaurant industry. Iowa Pacific Processors, Inc. currently employees 60 workers at their Des Moines facility, with plans for additional employment when expansion is completed.
- The planned expansion is anticipated to be constructed in two (2) phases; with phase one (1) consisting of a 43,000-square-foot cold storage warehouse facility and new employee parking and loading spaces. Phase II is expected to consist of a minimum 50,000-square-foot production and processing facility, and conversion of the existing building to an additional 30,000 square feet of cold storage warehouse. Truck loading into the site will be much improved from current conditions that routinely cause trucks to have to maneuver into the travelled lanes of Sunset Road.
- To accommodate Phase I of the company's expansion, City staff and Iowa Pacific Processors, Inc. have negotiated a purchase agreement for the property that includes a purchase price of \$162,900 for 1.87-acres (81,449 square feet), subject to the reservation of easements for utilities in place, and restrictive covenants that the project constructed shall be in substantial conformance with the Conceptual Development Plan approved by the City's Urban Design Review Board and with the Commercial Tax Abatement Construction and Design Sustainability Guidelines, in accordance with a City-approved site plan.
- The agreement also provides for an option to purchase additional 1.55-acres of excess City-owned property to the west and northwest of their existing facility to allow for Phase II of the expansion. The purchase price of the option property is \$135,100, and the option will be valid for a period of three (3) years from the date of recording the Option to Purchase.
- The above purchase price of \$162,900 and option purchase price of \$135,100 are equal to the estimated fair market value of the property, as determined by the City's Real Estate Division.



PREVIOUS COUNCIL ACTION(S):

Date: June 24, 2019

Roll Call Number: [19-0992](#)

Action: [On](#) approval of documents for conveyance of excess City-owned property locally known as 2516, 2600, 2605 and 2607 Sunset Road to Iowa Pacific Processors, Inc. for \$162,900 and granting an option to purchase excess real property locally known as 2700, 2708, District/Parcel 010/05246-000-000, 2720 and portions of 2707 and 2715 Sunset Road to Iowa Pacific Processors, Inc., \$1,000, (7-15-19).

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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