

COUNCIL COMMUNICATION

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|  CITY OF DES MOINES OFFICE OF THE CITY MANAGER | Number: | 22-404 | Meeting: | September 12, 2022 |
| | Agenda Item: | 67 | Roll Call: | 22-1464 |
| | Submitted by: | Erin Olson-Douglas, Development Services Department Director | | |

AGENDA HEADING:

Hold Hearing for approval of documents for conveyance of an estimated 5.37 acres of excess City property located at the northeast corner of SE 23rd Street and Maury Street to Kemin Holdings.

SYNOPSIS:

Kemin Holdings owns approximately 65 acres of property at the northwest corner of SE 23rd Street and Maury Street. The City owns approximately eight (8) acres (both excess property and right-of-way) at the northeast corner of SE 23rd Street and Maury Street. The City approached Kemin about their interest in buying the City-owned property in the area. Kemin indicated that they might be interested in purchasing the property, but would want to explore the possibility of purchasing the other privately-held property in the area, as well. Kemin asked for a due diligence period of two (2) years in which to approach the seven (7) individual private property holders in the area to see if they, too, would like to sell their property. The seven (7) private property owners, together, own approximately 4.4 acres in the area.

FISCAL IMPACT:

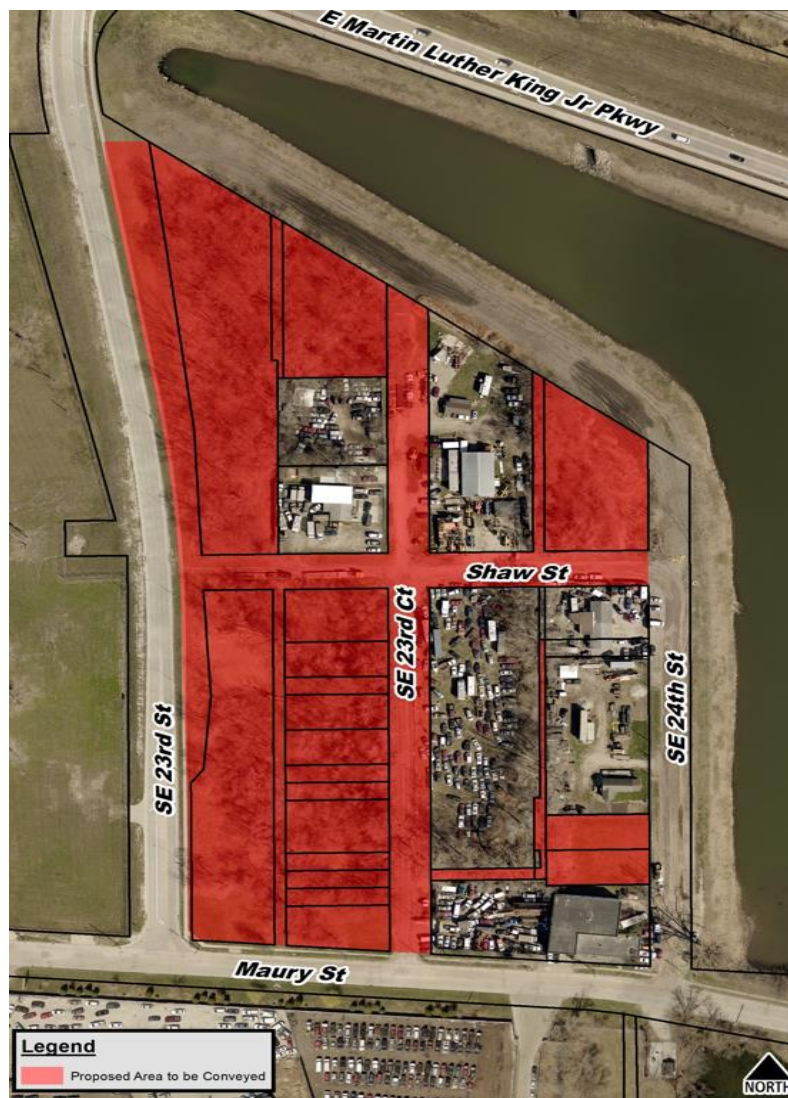
Amount: \$566,636

Funding Source: Revenue to be deposited into the Economic Development Enterprise Account – Account No. CMO25033

ADDITIONAL INFORMATION:

- The City-owned property in this area is both excess property and right-of-way. The excess property is an estimated 5.37 acres; the right-of-way (ROW) property is an estimated 2.66 acres. Kemin will be hiring a consultant to do a survey and plat, so exact acreage totals may change slightly.
- Should Kemin decide to go forward with the purchase of the excess City property, a separate purchase agreement for ROW will be brought to City Council. The vacation of ROW would occur before the purchase is finalized.
- The purchase agreement identifies the price of ROW property at \$1.55/square foot, which is based on information from a third-party appraisal. Should Kemin decide to go forward with the separate purchase agreement for ROW property within the two (2) year time frame, this price will be honored.

- The purchase agreement allows for Kemin to opt not to go forward with purchase of the City property if they are not able to acquire all private property within the block bounded by SE 24th Street, SE 23rd Street, Maury Street, and Dean’s Lake.
- Kemin expects that they will most likely use the City-owned property for continued and expanded industrial use, similar to what they’ve done on their existing site on the west side of SE 23rd Street. At this point, they don’t know exactly what that might look like as they don’t intend to work on detailed design concepts until they know they will buy the property. They did have Pelds Engineering prepare a sketch plan that was the subject of a pre-application meeting. The purchase agreement requires that they provide a Conceptual Development Plan before Closing.
- As part of the pre-application meeting, there was discussion about the existing sidewalk along SE 23rd Street. Should they buy the property, Kemin would like to move that sidewalk in order to avoid potential truck/pedestrian conflicts across SE 23rd Street. The purchase agreement requires that Kemin build an eight (8) foot sidewalk with two (2) foot buffer on each side between the eastern side of the property and Dean’s Lake.
- Below is a map that shows the entire approximately eight (8) acres (estimated) that is currently City-owned and may be conveyed to Kemin.



- Below is a map that shows the approximately 2.66 acres (estimated) that is currently City-owned ROW and may be conveyed to Kemin. SE 24th Street would remain as City-owned ROW.



PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- Plan and Zoning Commission – vacation of ROW
- City Council – Set Hearing and Hold Hearing for purchase agreement of ROW property

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