


COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	22-484	Meeting:	October 24, 2022
	Agenda Item:	54	Roll Call:	22-1683
	Submitted by:	Michael Ludwig, Interim Development Services Department Director		

AGENDA HEADING:

Hold hearing for approval of documents for conveyance of excess City-owned property locally known as 1321 Vermont Street, 1407 Michigan Street, and 16 Forest Avenue by Installment Contract to 1321 Vermont Street, LLC for \$315,000.

SYNOPSIS:

Recommend approval of the contract installment sale of City-owned property located at 1321 Vermont Street, 1407 Michigan Street, and 16 Forest Avenue to 1321 Vermont Street, LLC (Copeland Trucking Charlie Hoag, Officer, 1235 Thomas Beck Road, Des Moines, IA 50315) for \$315,000, subject to the reservations of easements for utilities in place, which easement will be included in the Quit Claim Deed from the City to the buyer.

The sale of this excess City-owned property will allow Copeland Trucking to relocate their current operations from 1235 Thomas Beck Road to a site in the Central Place Industrial Park that has been identified for industrial redevelopment purposes. The project will consist of a new trucking terminal and repair bay, administrative offices, truck and trailer parking, and other support functions necessary for the operation of the business.

The Urban Renewal Plan for the Central Place Industrial Park has a provision in place stating that development/disposition parcels larger than 16,000 square feet in area must include the construction or expansion of a building that provides at least 25% building coverage on the site unless otherwise determined by the City Council that a sale is appropriate for business retention and expansion. The project is deficient of this requirement with a 9,720-square-foot building proposed with Phase I of the project and a 13,300-square-foot building proposed with a Phase II of the project, which is a total 12.5% building coverage on the project site. There are some constraints that make achieving the 25% minimum threshold tough to accomplish for the northern portions of this site, including an existing levee and overhead utility easement encumbrances, access to public water main on the northern portion of the site, and the unique shape of a property that is situated between an electrical substation and the Des Moines River levee.

FISCAL IMPACT:

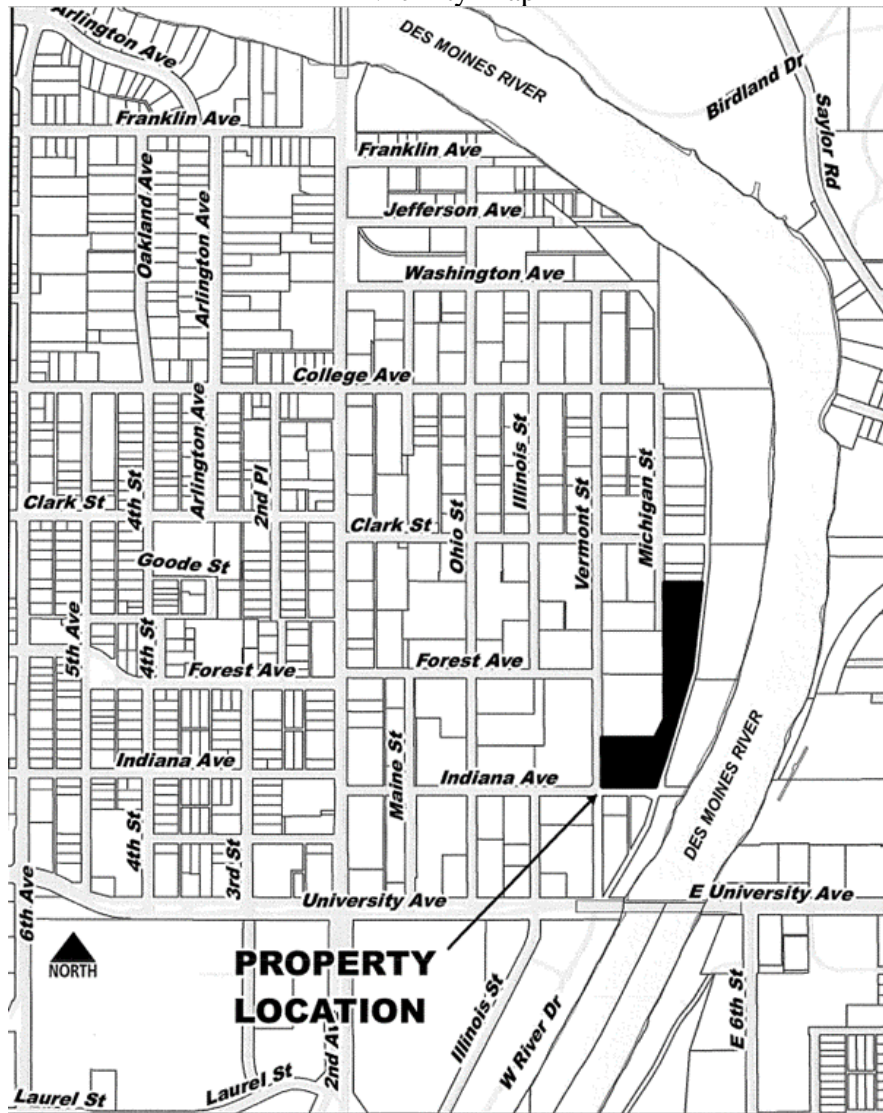
Amount: \$315,000 (Revenue)

Funding Source: Proceeds from this land sale will be deposited into the Economic Enterprise Account, CM025033.

ADDITIONAL INFORMATION:

- Copeland Trucking was founded in Minneapolis, MN, has been in business since 1985, and currently employs 90 staff in several states with over 30 staff located out of the Des Moines facility. With offices in Des Moines and Minneapolis, the business has seen good growth and is in expansion mode. The company serves some of Iowa and Minnesota’s largest manufacturers and food processors.
- Company officials met with City staff to find suitable relocation sites for their permanent Des Moines area operations. Available properties in the Central Place Industrial Park were of interest, zoned adequately for the use, and met the needs of the business.
- The properties to be conveyed consists of 184,755 square feet of land and the purchase price is \$315,000, equal to the fair market value of the property as determined by the City’s Real Estate Division, less a \$75,000 credit towards the purchase price of the property to offset poor soil conditions that will need to be remediated to construct buildings on the site.
- This sale will be conducted through a purchase installment contract with a total of seven (7) installment payments beginning January 1, 2023 and accruing 2% per annum interest on the remaining balance owed beyond the initial earnest money deposit.

Vicinity Map



PREVIOUS COUNCIL ACTION(S):

Date: October 3, 2022

Roll Call Number: [22-1511](#)

Action: [On](#) conveyance of excess City property locally known as 1321 Vermont Street, 1407 Michigan Street and 16 Forest Avenue by installment contract to 1321 Vermont Street, LLC, \$315,000, (10-24-22). Moved by Gatto to adopt. Second by Boesen. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- Urban Design Review Board recommendation on design of the project prior to closing on the land.

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