


COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	24-496	Meeting:	December 9, 2024
	Agenda Item:	27	Roll Call:	24-1643
	Submitted by:	Cody Christensen, Development Services Director		

AGENDA HEADING:

Resolution approving the First Amendment to an Offer to Purchase Real Estate between the City of Des Moines and Kemin Holdings regarding an estimated 5.37 acres of excess City property located at the northeast corner of SE 23rd Street and Maury Street.

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 (ROW)} at the northeast corner of SE 23rd Street and Maury Street. In 2022, 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 (approximately 4.4 acres), as well. In 2022, the City and Kemin entered into an agreement to allow Kemin a two (2) year due diligence period 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. No agreements have yet been reached with the private property owners, and the agreement regarding the two (2)-year due diligence period has expired. This Amendment would allow Kemin to have 10 years before Closing on the Offer in an effort to buy out the private property owners. There is a 30-day termination clause that could be exercised by either party.

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 ROW property is an estimated 2.66 acres.
- 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 10-year time frame, this price will be honored.
- 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 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):

Date: September 12, 2022

Roll Call Number: [22-1464](#)

Action: On conveyance of excess City property located in the block bounded by SE 23rd Street on the west, SE 24th Street on the east, Maury Street on the south and Dean's Lake on the north to Kemin Holdings, LC, \$566,636. ([Council Communication No. 22-404](#)) Moved by Gatto to adopt. Second by Voss. Motion Carried 7-0.

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

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the first floor of City Hall, 400 Robert D Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.