

Date July 13, 2015

**SET HEARING FOR THE PROPOSED PURCHASE OF LAND IN THE  
SE AGRIMERGENT BUSINESS PARK BY ELECTRICAL POWER PRODUCTS (EP2)**

**WHEREAS**, on April 8, 2013, by Roll Call No. 13-0560, the City Council approved the Amended and Substituted 28E Agreement between the City and the Board of Water Works Trustees of the City of Des Moines, Iowa ("DMWW") regarding the acquisition, preparation and conveyance of land for redevelopment in the City's SE Agrimergent Business Park (also known as the SE AgriBusiness Park Urban Renewal Area); and

**WHEREAS**, on June 8, 2015, by Roll Call No. 15-0928, the City Council received and filed a proposal to purchase City-owned property at SE 43<sup>rd</sup> and Vandalia Road for redevelopment and directed the City Manager to negotiate preliminary terms of agreement with Electrical Power Products (EP2); and

**WHEREAS**, on June 22, 2015, by Roll Call No. 15-1092, the City Council received and filed Council Communication No. 15-354 from the City Manager regarding the purchase and development of land in the SE Agrimergent Business Park by EP2, and directed the City Manager to continue to work with EP2 regarding design and financial proposals to facilitate the proposed industrial relocation and expansion project, including terms of development agreement and sale of City-owned property and Board and Commission review and recommendation processes, and to make a recommendation to Council on the final terms and conditions of the development agreement and sale of property; and

**WHEREAS**, in accordance with said direction, City Economic Development staff and EP2 are currently negotiating terms of an Urban Renewal Development Agreement, including but not limited to the following:

1. Sale by City to EP2 of approximately 42.21 acres of land on the south side of Vandalia Road for \$30,000 per acre (\$1,266,300), to be verified by a boundary survey as to the net acres to be sold.
2. Economic Development Grant by City to EP2 of \$1,266,300 provided from a rebate of the purchase price at the time of sale, subject to verification of the size of the tract.
3. Subject to suitability and quantity available, provision of fill material from City-owned land to elevate the estimated 42.21 acres an estimated 6'.
4. Economic Development Grant by City to EP2 providing 50% of project generated tax increment (TIF) for 17 years. With an estimated building valuation of \$13,000,000, the amount of the assistance is approximately \$4,352,221. The actual amount will be determined by a Minimum Assessment Agreement approved by the Polk County Assessor and City Council, and based on employee retention over the 17-year period.
5. Phase I of EP2's project will construct an \$18,000,000 building of approximately 180,000-225,000 square feet to relocate the company's estimated 300 employees from 1800 Hull Avenue. Phase II of EP2's project, estimated to be of similar size and scope, is proposed to occur as company growth demands.
6. The City will retain a first right of refusal on the Phase II property for 17 years; and

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**WHEREAS**, as stated above and in connection with the proposed Urban Renewal Development Agreement, EP2, on behalf of its holding company Electro Management Corp., has offered to the City the purchase price of \$1,266,300 to purchase approximately 42 acres of City-owned real property located at SE 43<sup>rd</sup> Street and Vandalia Road ("Property") in the SE Agrimergent Business Park, in the vicinity of the 3801 block of Vandalia Road, which Property is generally described below; and

**WHEREAS**, the proposed sale is subject to the above-referenced 28E Agreement between the City and DMWW, which provides in part that property in the SE Agrimergent Business Park shall be marketed to attract large volume water users as customers of DMWW and that the sale of certain property in the Park, including the Property, shall be subject to approval of both the DMWW Board and the City Council; and

**WHEREAS**, due to said 28E Agreement, the terms of the Urban Development Renewal Agreement shall provide that closing on the Property shall be subject to approval of both the DMWW Board and the City Council and/or mutual termination of the 28E Agreement by both parties thereto.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Des Moines, Iowa, that:

1. The City of Des Moines, Iowa proposes to sell approximately 42 acres of City-owned real property located at SE 43<sup>rd</sup> Street and Vandalia Road ("Property") in the SE Agrimergent Business Park, in the vicinity of the 3801 block of Vandalia Road, to Electro Management Corp., as holding company for Electrical Power Products (EP2), for the purchase price of \$1,266,300, which property is generally described as follows and is subject to a plat of survey and final legal description to be provided by EP2 prior to Council hearing on the proposed sale:

The East 880 feet of Lot 13, Dawson and Sweeney Estates, an Official Plat, City of Des Moines, Polk County, Iowa, said parcel contains 26 acres, more or less, not including road right-of-ways.

And

Lot 13, Dawson and Sweeney Estates, an Official Plat, City of Des Moines, Polk County, Iowa, except the East 880 feet thereof and the East 120 feet of the North 1,275 feet of Lot 6, Henderson Estate Plat, City of Des Moines, Polk County, Iowa, said parcel contains 16 acres more or less, not including road right-of-ways; and

2. A public hearing is hereby set for July 27, 2015, at 5:00 p.m. in the City Council Chamber, City Hall, 400 Robert D. Ray Drive, Des Moines, Iowa. At that time, the City Council will consider the above described proposal and any other(s) submitted prior to or during the public hearing.

3. The City Clerk is hereby authorized and directed to publish notice of the proposal and hearing in the form hereto attached, all in accordance with Section 362.3 of the Iowa Code.

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4. The City Manager and his designee(s) are directed to finalize negotiations and Urban Development Renewal Agreement with EP2 in accordance with the proposed terms set forth herein, and to return said Agreement to the Council for approval concurrently with the public hearing on the sale of the Property.

5. The City Manager and his designee(s) are further directed to obtain and review the plat of survey and legal description to be provided by EP2 in advance of the public hearing, and, if needed, to recommend continuance of the public hearing until such time as the legal description is provided and reviewed.

(Council Communication No. 15- 394)

Moved by \_\_\_\_\_ to adopt.

APPROVED AS TO FORM:

Glenna K. Frank
Glenna K. Frank, Assistant City Attorney

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, COLEMAN, GATTO, GRAY, HENSLEY, MAHAFFEY, MOORE, and TOTAL.

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

MOTION CARRIED APPROVED

Mayor

City Clerk