



Date August 24, 2015

**RESOLUTION ACCEPTING DEVELOPER-INITIATED REDEVELOPMENT PROPOSAL FROM DOLL DISTRIBUTING, LLC TO REDEVELOP CITY-OWNED PROPERTY IN THE GUTHRIE AVENUE BUSINESS PARK URBAN RENEWAL AREA**

**WHEREAS**, on September 26, 1988, by Roll Call No. 88-4238, the City Council of the City of Des Moines approved the Urban Renewal Plan for the Guthrie Avenue Business Park Urban Renewal Project (hereinafter referred to as "Plan"), an area generally bounded by Guthrie Avenue to the north, Washington Avenue to the south, the Union Pacific railroad right-of-way to the east and East 17<sup>th</sup> Street to the west and said Plan has subsequently been amended; and

**WHEREAS**, on April 20, 2009, by Roll Call No. 09-678, the City Council approved an Urban Renewal Development Agreement with Doll Distributing, LLC ("Developer"), whereby the Developer undertook to purchase and redevelop Disposition Parcel 28A, at 1901 DeWolf Street, in the Guthrie Avenue Business Park for expansion of an existing distribution center and warehouse in compliance with an approved Conceptual Plan, and thereafter the City Council approved issuance of a Certificate of Completion for said improvements; and

**WHEREAS**, on August 10, 2015, by Roll Call No. 15-1354, the City Council received and filed a developer-initiated proposal and preliminary terms of agreement with the Developer and directed the City Manager to proceed with negotiation of a development agreement with the Developer for purchase and development of the City-owned property immediately south of 1901 DeWolf Street; and

**WHEREAS**, the Developer and City staff have negotiated an Urban Renewal Agreement for Sale of Land for Private Redevelopment ("Development Agreement") for Developer to purchase and redevelop the City-owned real property immediately south of 1901 De Wolf Street (Disposition Parcel No. 28A) ("Property") in the Guthrie Avenue Business Park, which Development Agreement is on file in the office of the City Clerk; and

**WHEREAS**, the Development Agreement, tendered herewith and executed by the Developer, proposes redevelopment of the Property as follows:

1. Redevelopment of approximately 49,562 square feet of land, legally described as follows, to provide additional setback and traffic circulation usage for the adjoining office/distribution facility:

A PARCEL OF LAND IN LOTS 1, 2, 23 AND 24 IN BLOCK 13; LOTS 1, 2, 23 AND 24 IN BLOCK 14; A PORTION OF VACATED EAST 19TH STREET (ORDINANCE NO. 13,536) BETWEEN BLOCKS 13 AND 14; AND A PORTION OF VACATED WAYNE STREET (ORDINANCE NO. 5787) ADJOINING BLOCK 14, ALL IN T.E. BROWN'S OFFICIAL PLAT OF THE NE 1/4 OF SECTION 36, TOWNSHIP 79 NORTH, RANGE 24 WEST OF THE 5TH P.M., EXCEPT THE NE 40 ACRES, AS RECORDED IN BOOK C, PAGE 462, NOW INCLUDED IN AND FORMING A PART OF THE CITY OF DES MOINES, POLK COUNTY, IOWA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

Date August 24, 2015

-2-

BEGINNING AT THE SOUTHWEST CORNER OF LOT 24 OF SAID BLOCK 13; THENCE N00°11'38"W ALONG THE WESTERLY LINE OF SAID BLOCK 13, A DISTANCE OF 90.10 FEET TO THE SOUTHWEST CORNER OF PARCEL "A", AS DESCRIBED IN SPECIAL WARRANTY DEED RECORDED IN BOOK 13160, PAGE 127; THENCE N89°59'26"E, ALONG THE SOUTHERLY LINE OF SAID PARCEL "A", 540.66 FEET TO THE SOUTHEAST CORNER OF SAID PARCEL "A", ALSO BEING A POINT ON THE MOST EASTERLY LINE OF A TRACT OF LAND DESCRIBED IN QUIT CLAIM DEED RECORDED IN BOOK 5664, PAGE 108; THENCE S01°15'11"E, ALONG THE SAID EASTERLY LINE, 87.76 FEET TO A POINT ON THE EASTERLY EXTENSION OF THE NORTHERLY LINE OF VACATED JEFFERSON AVENUE; THENCE S89°44'31"W, ALONG SAID NORTHERLY LINE, 542.28 FEET TO THE POINT OF BEGINNING. SAID PARCEL CONTAINS 48,148 SQUARE FEET (1.11 ACRES) MORE OR LESS; and

**WHEREAS**, said Development Agreement provides that the Developer will purchase the Property for the Purchase Price of \$66,908.70, subject to closing credits, if applicable, in the amount of (a) \$3,000 for the cost of surveying the Property to be incurred by Developer, (b) the lowest of three bids estimating the cost of removing and properly disposing of and/or remediating the soil stockpile located upon Property to be incurred by Developer, and (c) fifty percent of the cost for title insurance issued on the Property; and

**WHEREAS**, the proposed development of the Property furthers the objectives of the Plan to preserve and create an environment which will protect the health, safety and general welfare of City residents and maintain taxable values within the Urban Renewal Project Area, to encourage the development of new commercial improvements and to encourage the coordinated development of parcels and streets to achieve efficient building design and redevelopment and to promote new job opportunities for City residents; and

**WHEREAS**, City believes that the redevelopment of the Property pursuant to the proposed Development Agreement, and the fulfillment generally of the proposed Development Agreement, are in the vital and best interests of City and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of the applicable state and local laws and requirements under which the project has been undertaken; and

**WHEREAS**, the Developer's proposal meets the Minimum Development Requirements of the City for such development and appears to be comprehensive in form and content as evaluated by City staff; and

**WHEREAS**, prior to hearing on the sale and Development Agreement, Developer will submit a good faith deposit in the amount of \$6,690.87 for the Property; and

**WHEREAS**, it is necessary and appropriate that the City Council take certain actions in accordance with Iowa Code Section 403.8 with respect to the Property in order to accept the proposal for the development of the Property and give full and fair opportunity for other potential developers to submit a proposal for the development of the Property; and

Date August 24, 2015

-3-

**WHEREAS**, City staff has prepared Minimum Development Requirements, on file in the office of the City Clerk, for determining qualified development proposals and selecting a development proposal; and

**WHEREAS**, the City Council believes that the acceptance of the Developer's proposal and the Development Agreement to develop the Property and the advertisement for competing development proposals is in the best interests of the City of Des Moines, Iowa.

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

1. The Developer's proposal, which includes the terms set forth in Council Communication No. 15-433, received and filed on August 10, 2015 by Roll Call No. 15-1354, and further includes the proposed Development Agreement executed by the Developer for development of the Property (hereinafter collectively "Proposal"), be and is hereby accepted and approved as to form for the purposes hereinafter stated.
2. For the purposes of defining the competitive bid process for purchase and development of the Property, said Proposal of Developer shall be deemed to be and to illustrate the minimum proposal acceptable to the City of Des Moines in terms of: general form of proposal and data required for competing proposals; Property description; purchase price, good faith deposit, time for commencement and completion of improvements; time permitted for conceptual plan submission and review; development requirements for improvements; construction plans and certificate of completion; urban renewal covenants; remedies and all miscellaneous provisions.
3. The Minimum Development Requirements on file in the office of the City Clerk are determined to meet the objectives and requirements of the Plan, as amended, and are hereby approved and adopted for use in the competitive bid process.
4. Competing proposals to the Developer's Proposal shall:
  - A. Provide a detailed description of the proposed development that shall indicate satisfaction of the Minimum Development Requirements.
  - B. Devise a proposed method and sources of financing which must be adequate to assure financing of the development in a timely manner.
  - C. Provide a good faith deposit in the amount of \$6,690.87 for the Property, in acceptable form to the City of Des Moines.
5. It is hereby determined that the Developer possesses the qualifications and financial resources necessary to purchase and develop the Property in the manner stated in its Proposal and the proposed Development Agreement in accordance with the Plan.
6. It is hereby determined that the purchase price for the Property of \$66,908.70, to be paid by the Developer, meets the fair market value thereof for uses in accordance with the Plan and shall be the established minimum sales price for the competitive bid process, taking into account the restrictions upon the Property and the terms, covenants, conditions and obligations assumed by the

Date August 24, 2015

-4-

- Developer for construction of the improvements on the Property in accordance with the terms of the proposed Development Agreement.
7. The City Clerk shall retain for public examination the Proposal and proposed Development Agreement executed by the Developer and in the event of no timely qualified competing proposals, the City Clerk and staff shall submit the same to this Council for formal consideration, approval and execution at a public hearing at 5:00 p.m. in the City Council Chambers during the regular City Council meeting of September 28, 2015.
  8. The City Clerk shall be authorized to promptly publish the attached notice of the competitive bid process and the City's intent to accept the Developer's Proposal and to enter into the proposed Development Agreement if no competing proposals are received.
  9. This resolution, the Proposal and proposed Development Agreement shall be on file at the office of the City Clerk, City Hall, 400 Robert D. Ray Drive, Des Moines, Iowa.
  10. Approval and acceptance of the Developer's Proposal is conditioned upon there being no better proposal submitted by a competitor for the development of the Property within the period hereinafter stated.
  11. This competitive bid process, conducted in accordance with the terms of this resolution, is hereby determined to comply with the provisions of Iowa Code Section 403.8(2), requiring "reasonable competitive bidding procedures" for the sale of the Property and this competitive bid process is hereby determined to be the appropriate method for making the Property available for development in accordance with the Plan.
  12. The submittal of proposals and statements by competing developers, including the form of Development Agreement executed by competing developers, shall be in substantial conformance with the provisions of this resolution.
  13. All inquiries regarding the terms and conditions of this competitive bid process must be submitted in writing to the Office of Economic Development, City Hall, 400 Robert D. Ray Drive, Des Moines, Iowa, 50309. All responses to inquiries shall be made in writing and will be kept on file at the Office of the City Clerk, City Hall, and the Office of Economic Development, City Hall. No written inquiries shall be accepted after 5:00 p.m. on September 14, 2015.
  14. Written competing proposals for the purchase and development of the Property must be received in the Office of Economic Development on or before 1:00 p.m., September 23, 2015. Said proposals shall be received in the Office of Economic Development located in City Hall, 400 Robert D. Ray Drive, Des Moines, Iowa. Each proposal will then be submitted to City Council at the public hearing on September 28, 2015.
  15. The Office of Economic Development staff is directed to receive competing proposals for the purchase and development of the Property and prepare a report on each competing proposal for the City Council, regarding the following, to wit:

Date August 24, 2015

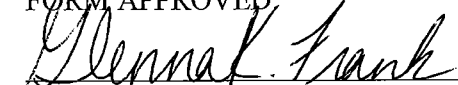
-5-

- A. The degree to which the proposal meets the objectives and requirements of the Plan, as amended, as reflected by the adopted Minimum Development Requirements.
  - B. The ability of the competing developer to commence and complete the redevelopment activity in an expeditious and timely manner.
  - C. Ambiguity or lack of information in the proposal shall be judged negatively.
16. Following public hearing on September 28, 2015, as set herein above, the City Council may take action to select the Developer's Proposal, a competing proposal, or no proposal, and to approve sale of the Property.

(Council Comm. No. 15-474)

MOVED BY \_\_\_\_\_ to adopt.

FORM APPROVED:

  
Glenna K. Frank, Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GATTO				
GRAY				
HENSLEY				
MAHAFFEY				
MOORE				
TOTAL				
MOTION CARRIED			APPROVED	
_____ Mayor				

**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.

\_\_\_\_\_ City Clerk