



Roll Call Number

Agenda Item Number

2
26

.....
Date January 28, 2019

RESOLUTION AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO
NEGOTIATE A DEVELOPMENT AGREEMENT BASED ON PRELIMINARY
TERMS WITH PDM PRECAST, INC.

WHEREAS, PDM Precast, Inc. (hereinafter "PDM"), represented by Adam Petersen, its President, is seeking to purchase 29.89 acres of City-owned property at 3500 Vandalia Road for an expansion of its existing precast concrete manufacturing facility at 3312 E. Granger Avenue; and,

WHEREAS, PDM is an existing Des Moines based precast concrete and metal fabrication business with its headquarters at 622 SE 6th Street in the East Village, a precast concrete fabrication facility at 3312 E. Granger Avenue in the SE AgriBusiness Urban Renewal Area, and a steel fabrication facility in Carlisle; and,

WHEREAS, on May 21, 2018, by Roll Call No. 0888, the City Council directed the Economic Development Director to negotiate with PDM on an agreement for the sale and redevelopment of the City-owned property; and,

WHEREAS, the Economic Development Director has negotiated preliminary terms of agreement with PDM whereby the land would be sold for a purchase price of \$40,000 per acre, subject to the following adjustments and discounts:

1. Four (4) acres of the property are located within a ditch and would be considered to have no value;
2. The purchase price would be discounted by 30% in consideration of the undertaking by PDM to construct a new 45,500 square foot building on the property for the relocation of its steel fabrication facility into Des Moines within three years, and to construct an additional 80,000 square foot building on the property or at the existing PDM facility at 3312 E. Granger Avenue for a further expansion of its precast concrete manufacturing facility within ten years;
3. Potentially an additional discount to be negotiated, due to extraordinary development costs that still need to be defined and reviewed; and,
4. With all such discounts to be subject to recapture if the new buildings and business expansion do not occur as planned.

(continued)



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(Council Communication No. 19- 032)

MOVED by _____ to approve the preliminary terms of agreement as identified above, and to authorize and direct the City Manager or the City Manager's designee to negotiate a final agreement for the sale and development of the property for consideration by the City Council at a later date.

FORM APPROVED:

Roger K. Brown

Roger K. Brown
Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
BOESEN				
COLEMAN				
GATO				
GRAY				
MANDELBAUM				
WESTERGAARD				
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