



Roll Call Number

16-0846

Agenda Item Number

20

Date May 23, 2016

**SET HEARING FOR THE PROPOSED PURCHASE OF CITY-OWNED PROPERTY IN THE SE AGRIMERGENT BUSINESS PARK BY CROSSROADS COLD STORAGE, LLC PURSUANT TO DEVELOPMENT AGREEMENT, AND APPROVING RIGHT-OF-ENTRY**

**WHEREAS**, on June 22, 2015, by Roll Call No. 15-1091, the City Council received and filed a proposal from Des Moines Cold Storage, Inc., on behalf of itself and Crossroads Cold Storage, LLC (collectively "Developer"), for purchase of City-owned property at SE 43<sup>rd</sup> and Vandalia Road in the City's SE Agrimergent Business Park (also known as the SE AgriBusiness Park Urban Renewal Area) for relocation and expansion of the home office of the Developer's multi-state business; and

**WHEREAS**, on April 11, 2016, by Roll Call No. 16-0584, the City Council received and filed Council Communication No. 16-169 from the City Manager regarding Developer's proposed purchase and redevelopment of the Property, and directed the City Manager to negotiate a development agreement with Developer; and

**WHEREAS**, in accordance with said direction, City Economic Development staff and Developer have negotiated terms of an Urban Renewal Development Agreement, including but not limited to the following:

1. Sale by City to Crossroads Cold Storage, LLC of 24.25 acres of land on the south side of Vandalia Road, as legally described below, for \$363,750 (\$15,000 per acre) for Phase I of the development to be used by Des Moines Cold Storage, Inc.
2. Sale by City to Crossroads Cold Storage, LLC of an Option to Purchase Real Property in 18.71 acres of land adjoining the Phase I property, as legally described below, for \$1,000 for Phase II of the development. Said Option must be exercised by Developer within five calendar years of recording thereof, and includes a purchase price of \$280,650 (\$15,000 per acre) for the Phase II property.
3. Provision of an in-kind Economic Development Grant of 90,000 cubic yards of fill material from City-owned land, valued at \$900,000, for use in filling, grading and improving the property and preparing the property for the Phase I improvements.
4. Economic Development Grant by City to Developer providing either the anticipated amount of \$2,229,279 in Iowa Code Chapter 427B property tax exemption and 75% of project generated tax increment (TIF) thereafter for 11 years, or the anticipated amount of \$2,239,222 in 75% of project generated tax increment (TIF) for ten years and 50% of project generated tax increment (TIF) thereafter for 5 years.
5. Phase I of Developer's project will construct an estimated \$18,000,000 project including a building of a minimum of 110,000 square feet, site improvement, and rail access improvements, to relocate the Des Moines Cold Storage home office. Phase II of Developer's project includes further expansion of Des Moines Cold Storage facility and operations, and will require separate Conceptual Development Plan approval and separately negotiated financial incentives if applicable; and

**WHEREAS**, there is no current or future City need or benefit for the property to be sold, the City will not be inconvenienced by the sale of the property or option therein, and the City's Office of Economic Development recommends approval of the sale and option as in the best interests of the City; and

**WHEREAS**, the Developer has requested a temporary Right-of-Entry to access the property to immediately commence testing, grading and filling the site.

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**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 24.25 acres of City-owned real property located at SE 43<sup>rd</sup> Street and Vandalia Road in the SE Agrimergent Business Park, in the vicinity of the 3801 block of Vandalia Road, to Crossroad Cold Storage, LLC for the purchase price of \$363,750, which property is legally described as follows, subject to the terms of the Development Agreement as on file in the office of the City Clerk:

PARCEL 2016-123 BEING PART OF THE NORTHWEST QUARTER OF SECTION 17, TOWNSHIP 78 NORTH, RANGE 23 WEST OF THE 5TH P.M., CITY OF DES MOINES, POLK COUNTY, IOWA BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:  
COMMENCING FROM THE NORTH QUARTER CORNER OF SAID SECTION 17; THENCE ALONG THE NORTH LINE OF SAID SECTION 17 N87°28'58"W, 1416.77 FEET; THENCE S02°21'02"W, 50.00 FEET TO THE POINT OF BEGINNING; THENCE S87°28'58"E, 1272.55 FEET; THENCE 206.92 FEET ALONG A 136.00 FOOT RADIUS CURVE, CONCAVE SOUTHWEST, CHORD BEARING S43°45'46"E, 187.53 FEET; THENCE S00°01'28"E, 576.53 FEET; THENCE N87°28'58"W, 1431.60 FEET; THENCE N02°21'02"E, 705.57 FEET TO THE POINT OF BEGINNING. DESCRIBED AREA CONTAINS 22.87 ACRES AND IS SUBJECT TO EASEMENTS AND RESTRICTIONS OF RECORD.

2. The City of Des Moines, Iowa proposes to sell an Option to Purchase Real Property for 18.71 acres of City-owned real property located at SE 43<sup>rd</sup> Street and Vandalia Road in the SE Agrimergent Business Park, in the vicinity of the 3801 block of Vandalia Road, to Crossroad Cold Storage, LLC for the purchase price of \$1,000, which property is legally described as follows, subject to the terms of the Development Agreement and Option as on file in the office of the City Clerk:

THE WEST 1305 FEET OF THE SOUTH 565 FEET OF THE NORTHEAST QUARTER (NE1/4) OF THE NORTHWEST QUARTER (NW1/4) AND THE EAST 150 FEET OF THE SOUTH 560 FEET OF THE NORTHWEST QUARTER (NW1/4) OF THE NORTHWEST QUARTER (NW1/4) OF SECTION SEVENTEEN (S17), TOWNSHIP SEVENTY-EIGHT NORTH (T78N), RANGE TWENTY-THREE WEST (R23W) OF THE FIFTH PRINCIPAL MERIDIAN (5TH P.M.), ALL NOW INCLUDED IN AND FORMING A PART OF THE CITY OF DES MOINES, COUNTY OF POLK, STATE OF IOWA, SUBJECT TO EASEMENTS OF RECORD, AND CONTAINING APPROXIMATELY 18.91 ACRES (823,578 SQUARE FEET).

Subject to survey provided by Developer upon request of the City of Des Moines, Real Estate Division.

3. A public hearing is hereby set for June 27, 2016, at 5:00 p.m. at the Municipal Services Center, 1551 Martin Luther King Jr. Parkway, 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.

4. 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.

5. The City Manager and/or Real Estate Division Director are hereby authorized and directed to execute a temporary Right-of-Entry from the City to the Developer to immediately access the above-described real property, subject to the requirement that the Developer return the property to its original condition in the event that the Development Agreement and property sale are not approved by City Council.



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(Council Comm. No. 16-275)

Moved by Gatto to adopt.

APPROVED AS TO FORM:

Glenna K. Frank, Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
COLEMAN	✓			
GATTO	✓			
GRAY	✓			
HENSLEY	✓			
MOORE	✓			
WESTERGAARD	✓			
TOTAL	7			

MOTION CARRIED

APPROVED

T. M. Franklin Council 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.

Diane Rauh City Clerk