



Roll Call Number

21-1960

Agenda Item Number

71

Date December 20, 2021

**HOLD HEARING FOR APPROVAL OF DOCUMENTS FOR
CONVEYANCE OF PROPERTY AT SE 43RD AND VANDALIA ROAD TO
CROSSROADS COLD STORAGE, LLC (C.J. MORTON, OFFICER) FOR \$416,020.00**

WHEREAS, on June 27, 2016, by Roll Call No. 16-1087, the City Council approved an Urban Renewal Development Agreement for the Sale and Development of Real Estate and Conceptual Development Plan (“Agreement”) with Crossroads Cold Storage, LLC (Owner) and Des Moines Cold Storage Co., Inc. (collectively “Developer”), represented by C.J. Morton, Officer, whereby Developer agreed to purchase and develop City-owned real property located at SE 43rd and Vandalia Road in the City’s SE Agrimergent Business Park for relocation and expansion of the home office of the Developer’s industrial warehouse, in exchange for economic development assistance in the form of tax increment financing, an in-kind economic development grant of fill material, and other terms as described in the Agreement; and

WHEREAS, the Developer has acquired the Phase I Property from the City and has successfully completed construction of Phase I of the Improvements consisting of a 112,000 square foot office/warehouse, and on March 23, 2020, by Roll Call No. 20-0530, the City Council approved a First Amendment to the Agreement for provision of an Economic Development Grant, in the same form as and concurrently with the Grant being provided for the Phase I Improvements, for Developer’s construction of an addition to the Phase I building for use by Developer as expansion of its corporate headquarters building and part of its service delivery operations for international exports, with an anticipated minimum project cost of \$12,000,000.00, and for any further additions to the Phase I building constructed by Developer for further expansion of its corporate headquarters for the same purpose and use as the Phase I and Phase I-A Improvements; and

WHEREAS, in addition to the Phase I Property and Improvements thereon, the Agreement, as amended, allowed Developer to purchase the Phase II Property, legally described below and consisting of 18.95 acres immediately south of and adjoining the Phase I Property, for construction by Developer of additional building(s) associated with Developer’s corporate headquarters and in accordance with an Option to Purchase previously approved by City Council and granted by City to Developer; and

WHEREAS, on June 28, 2021, by Roll Call No. 21-0985, the City Council approved a Second Amendment to the Agreement to (1) extend Developer’s Option to Purchase for an additional six months from July 2021 to January 2022, (2) increase the purchase price of the Phase II Property from \$283,650.00 U.S. Dollars (approximately \$15,000.00 per acre) to \$416,020.00 U.S. Dollars (approximately \$22,000.00 per acre) to replace Developer’s liquidated damages obligation, (3) remove the Phase II Property and related development from Developer’s obligation for urban renewal redevelopment, and (4) require the City’s transfer of the Phase II Property to the Developer to restrict speculative sale or lease of said Property, and cause Developer to reimburse City for any excess funds received by Developer in the event of such speculative sale or lease; and

WHEREAS, Developer wishes to exercise its Option to Purchase the Phase II Property in accordance with the terms of the Second Amendment to the Agreement, which conveyance will be subject to the reservation of any necessary easements for all existing utilities in place until such time that they are abandoned or relocated and further subject to an ingress-egress easement retained by the City for access to existing stormwater management facilities and a Declaration of Covenants setting forth the above-described restrictions on speculative sales and leases; and

WHEREAS, there is no known current or future public need for the Phase II Property proposed to be sold, and the City will not be inconvenienced by the sale and conveyance of said Property; and



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WHEREAS, on December 6, 2021, by Roll Call No. _____, it was duly resolved by the City Council of the City of Des Moines, Iowa, that the proposed conveyance be set down for hearing on December 20, 2021, at 5:00 p.m., in the City Council Chambers, City Hall, 400 Robert D. Ray Drive, Des Moines, Iowa; and

WHEREAS, due notice of said proposal to convey the Phase II Property was given to all necessary parties as provided by law, setting forth the time and place for hearing on said proposal; and

WHEREAS, in accordance with City Council direction, those interested in the proposed conveyance, both for and against, have been given an opportunity to be heard with respect thereto and have presented their views to the City Council.

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

1. Upon due consideration of the facts and statements of interested persons, any and all objections to the proposed conveyance of City-owned real property located at SE 43rd and Vandalia Road and consisting of 18.95 acres immediately south of and adjoining the Developer’s Phase I Property, as legally described below and described herein as the Phase II Property, are hereby overruled and the hearing is closed.
2. There is no public need or benefit for the excess City-owned property proposed to be conveyed, and the public would not be inconvenienced by reason of the conveyance of the City-owned real property located at SE 43rd and Vandalia Road and consisting of 18.95 acres immediately south of and adjoining the Developer’s Phase I Property, as legally described below and described herein as the Phase II Property, to Crossroads Cold Storage, LLC for \$416,020.00, and said conveyance is hereby approved, subject to reservation of easements for all existing utilities in place until such time that they are abandoned or relocated, and ingress-egress for access to stormwater management facilities:

A PART OF LOT 6, HENDERSON ESTATE, AN OFFICIAL PLAT AND A PART OF THE NORTHWEST QUARTER OF SECTION 17, TOWNSHIP 78 NORTH, RANGE 23 WEST OF THE FIFTH PRINCIPAL MERIDIAN, IN THE CITY OF DES MOINES, POLK COUNTY, IOWA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTH QUARTER CORNER OF SAID SECTION 17; THENCE SOUTH 00°01'28" EAST ALONG THE EAST LINE OF SAID NORTHWEST QUARTER, 756.31 FEET; THENCE NORTH 87°28'58" WEST, 16.52 FEET TO THE POINT OF BEGINNING ALSO KNOWN AS THE SOUTHEAST CORNER OF PARCEL 2016-123 AS SHOWN ON THE PLAT OF SURVEY RECORDED IN BOOK 16120 PAGE 974; THENCE SOUTH 00°01'28" EAST, 566.84 FEET TO THE NORTH LINE OF PARCEL ‘B’ IN THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER AS SHOWN ON THE PLAT OF SURVEY IN BOOK 8392 PAGE 785; THENCE NORTH 87°33'05" WEST ALONG SAID NORTH LINE, 1300.67 FEET TO THE NORTHWEST CORNER OF SAID PARCEL ‘B’; THENCE NORTH 87°28'10" WEST, 154.41 FEET TO THE SOUTHEAST CORNER OF PARCEL 2017-100 IN PART OF LOT 6, HENDERSON ESTATE AS SHOWN ON THE PLAT OF SURVEY IN BOOK 17059 PAGE 651-652; THENCE NORTH 00°08'36" WEST ALONG THE EAST LINE OF SAID PARCEL 2017-100, A DISTANCE OF 568.32 FEET; THENCE SOUTH 87°42'52" EAST ALONG SAID EAST LINE, 24.73 FEET TO THE SOUTHWEST CORNER OF SAID PARCEL 2016-123; THENCE SOUTH 87°28'58" EAST ALONG THE SOUTH LINE OF SAID PARCEL 2016-123, A DISTANCE OF 1431.60 FEET TO THE POINT OF BEGINNING AND CONTAINING 18.95 ACRES (825,616 SQUARE FEET) THE PROPERTY IS SUBJECT TO ANY AND ALL EASEMENTS OF RECORD.



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3. The Mayor is authorized and directed to sign the Special Warranty Deed for the conveyance as identified above, and the City Clerk is authorized and directed to attest to the Mayor's signature and to execute the Declaration of Covenants accepting same on behalf of the City of Des Moines.
4. Upon proof of payment of the consideration plus \$113.00 for publication and recording costs, the City Clerk is authorized and directed to forward the original of the Special Warranty Deed, together with a certified copy of this resolution and of the affidavit of publication of the notice of this hearing, to the Real Estate Division of the Engineering Department for the purpose of causing said documents to be recorded.
5. The Real Estate Division Manager is authorized and directed to forward the original of the Special Warranty Deed, together with a certified copy of this resolution and of the affidavit of publication of the notice of this hearing, to the Polk County Recorder's Office for the purpose of causing these documents to be recorded.
6. Upon receipt of the recorded documents back from the Polk County Recorder, the Real Estate Division Manager shall mail the original of the Special Warranty Deed and copies of the other documents to the grantee.
7. Proceeds from the sale of the Phase II Property will be deposited into the Economic Development Enterprise fund: CM025033/496010.

(Council Communication No. 21-568)

MOVED BY Gatto TO ADOPT.

APPROVED AS TO FORM:

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

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
BOESEN	✓			
GATTO	✓			
GRAY	✓			
MANDELBAUM	✓			
VOSS	✓			
WESTERGAARD	✓			
TOTAL	7			

J. M. Frankha Cowrie Mayor

CERTIFICATE

I, P. Kay Cmelik, 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.

P. Kay Cmelik

City Clerk