


## COUNCIL COMMUNICATION

	Number:	<b>21-436</b>	Meeting:	<b>October 18, 2021</b>
	Agenda Item:	<b>46</b>	Roll Call:	<b>21-1589</b>
	Submitted by:	<b>Erin Olson-Douglas, Development Services Department Director</b>		

### AGENDA HEADING:

Resolution to dismiss the public hearing on for the sale of City-owned property located at 503 SE 12th Street to Des Moines Climate Controlled Storage, LLC (DMCCS) for \$520,000.

### SYNOPSIS:

On June 28, 2021, by Roll Call No. 21-0980, the City Council authorized the City Manager to negotiate an urban renewal development agreement based on preliminary terms of agreement with DMCCS (represented by Mark Bockenstedt, owner, 1003 NW Ridge Road, Ankeny, IA 50023), for the phased redevelopment of a \$15.5 million of two (2) 4-story indoor climate-controlled storage buildings located on a 1.97-acre site addressed as 503 SE 12th Street.

DMCCS recently hired a consultant to conduct a geotechnical study and obtain borings of the subject property as a part of their due diligence for the development project. The results of the study indicated problematic soil conditions that included non-clean fill dirt and improper soil compaction that would not allow structures to be placed on portions of the site without the risk of long-term settlement issues. City Engineering staff have reviewed the geotechnical report and are in concurrence with the consultant's findings.

The Developer still wishes to move forward with the project on a slightly delayed schedule. The solution to remedy the soil issues will be to remove the non-clean fill on the site, bring in clean soil, and properly compact for construction purposes. Staff will propose to offer an additional credit on the purchase price of the City-owned property to help offset this unforeseen expense.

It is anticipated that the City will accept a revised land sale proposal that reflects the reduced price for the property at an upcoming City Council meeting and will set the date of hearing as required for the competitive land sale process.

### FISCAL IMPACT: NONE

### ADDITIONAL INFORMATION:

- DMCCS is proposing to construct two (2) 4-story indoor climate-controlled storage buildings with a cumulative total of 153,600 square feet on a vacant site located at 503 SE 12th Street. The construction of the second building will be phased accordingly with market demand but shall begin within four (4) years of completion of the Phase I building.

- The development is proposed on a combination of City-owned and privately assembled land that comprises a 1.97-acre site adjacent to Cohen Park, which has seen recent improvements and the construction of a new regional stormwater basin. A land swap for a small 5,454-square-foot sliver of Cohen Park is proposed between the Developer and the Parks and Recreation Department to help shore up irregular site boundaries. The land swap will be handled under separate City Council action.

**PREVIOUS COUNCIL ACTION(S):**

Date: September 13, 2021

Roll Call Number: [21-1436](#)

Action: [Continuing](#) hearing on the competitive bid process for sale and redevelopment of 503 SE 12th Street in the Metro Center Urban Renewal Project Area, and receipt of redevelopment proposal from Des Moines Climate Controlled Self Storage, LLC (Mark Bockenstedt, Owner). (Continue hearing to October 18, 2021). Moved by Gatto to adopt. Motion Carried 6-1. Absent: Westergaard.

**BOARD/COMMISSION ACTION(S):**

Board: Plan and Zoning Commission

Date: October 7, 2021

Resolution Number: N/A

Action: Plan and Zoning Commission voted 10-0 to approve a site plan for property located at 503 SE 12th Street, with Type 2 Design Alternatives in accordance with City Code.

Board: Urban Design Review Board

Date: September 21, 2021

Resolution Number: N/A

Action: Motion to recommend approval of the final design as presented with the addition of arched windows on the first floor by Ward. Seconded by Hielkema. Motion carried. Yes – 6, No – 0, Absent – 4, Abstain – 0. Motion to recommend approval of the financial assistance as presented by Wilke-Shapiro. Seconded by Weisenbach. Motion carried. Yes – 6, No – 0, Absent – 4, Abstain – 0.

Board: Urban Design Review Board

Date: July 20, 2021

Resolution Number: N/A

Action: Motion to recommend approval of the preliminary design as presented noting the Boards comments by Hielkema. Seconded by Wilke-Shapiro. Motion carried. Yes – 6, No – 0, Absent – 4, Abstain – 0.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

- Accept the revised development proposal, set the date of public hearing, and close the public hearing on the land sale.

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