

Date September 12, 2022

APPROVAL OF PURCHASE AND SALE CONTRACT WITH NATIONWIDE MUTUAL INSURANCE COMPANY FOR THE PURCHASE OF 1200 LOCUST STREET, 1200 MULBERRY STREET, AND ASSIGNMENT OF PARKING LOT LEASE AT 13TH STREET AND WALNUT STREET

WHEREAS, Nationwide Mutual Insurance Company “Nationwide” owns property located at 1200 Locust Street (“Office Building”) and 1200 Mulberry Street (“Parking Garage”) and leases a parking lot located at 13th Street and Walnut Street (“Parking Lot Lease”) (collectively the “Property”); and

WHEREAS, the City has negotiated a Purchase and Sale Contract (“Agreement”) with Nationwide Mutual Insurance Company for the purchase of the Property for \$40,600,000.00, which represents a purchase price of \$30,000,000.00 for the Office Building and Parking Lot Lease and a purchase price of \$10,600,000.00 for the Parking Garage; and

WHEREAS, the City intends to use the Property to relocate certain City departments; and

WHEREAS, the Agreement allows a due diligence period of nine (9) months, during which the City intends to obtain the financing necessary to complete the purchase and further evaluate the feasibility of the Property for the City’s use; and

WHEREAS, in addition, the Agreement requires the City to pay \$106,000.00 in earnest money, to be held in escrow and which shall be refundable during the due diligence period; and

WHEREAS, closing on the Office Building and Parking Lot Lease will be June 12, 2023, and closing on the Parking Garage is will be December 31, 2025; and

WHEREAS, to account for lack of parking during the gap between the closing dates set forth above, the Agreement further sets forth terms by which Nationwide will lease parking spaces to the City, which lease will be a separate agreement for Council to review and approve following further negotiations of the parties.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that the following Agreement, recommended for approval and acceptance by City staff and on file in the office of the City Clerk, is hereby approved and accepted as follows:

.....
Date September 12, 2022

Property Owner: Nationwide Mutual Insurance Company
Property Location: 1200 Locust Street, Des Moines, Iowa 50309 (Office Building)
1200 Mulberry Street, Des Moines, Iowa 50309 (Parking Garage)
13th Street and Walnut, Des Moines, Iowa (Parking Lot Lease)
Document Type: Purchase and Sale Contract
Earnest Money: \$106,000.00
Consideration: \$40,600,000.00 (Plus Closing Costs)
Closing Date: June 12, 2023 (Office Building and Parking Lot Lease)
December 31, 2025 (Parking Garage)

That the Finance Director is authorized and directed to issue checks or wire transfers to pay the earnest money as well as any costs certified by the Legal Department and the Engineering Department, and the Real Estate Division Manager is authorized and directed to obtain the checks and wires, if any, needed to carry out this transaction and to deliver them to the payee(s).

The City Manager, or his designee, is hereby authorized and directed to take all actions necessary to carry out this transaction and is hereby further authorized and directed to sign all necessary real estate documents associated with this acquisition.

The City Manager, or his designee, is directed to submit a copy of the fully executed Agreement to the Finance Department to enable the Finance Director to make any appropriate disclosure filings in accordance with the City's adopted revised Disclosure Policy.

That the Real Estate Division of the Engineering Department is directed to obtain the Legal Department's review and approval of all closing documents prior to closing.

That the City Clerk is hereby authorized and directed to endorse upon the Agreement the approval and acceptance of this Council; the Mayor is authorized and directed to sign all necessary real estate documents associated with this acquisition; and the City Clerk is further authorized and directed to deliver the aforementioned documents to the Real Estate Division Manager, who shall proceed to closing in accordance with standard real estate practices.

★ **Roll Call Number**

Agenda Item Number


Ex. 2

Date September 12, 2022

(Council Communication No. 22- 435)

Moved by _____ to adopt. Second by _____

APPROVED AS TO FORM:



Lisa A. Wieland, Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
BOESEN				
GATTO				
MANDELBAUM				
SHEUMAKER				
VOSS				
WESTERGAARD				
TOTAL				
MOTION CARRIED	APPROVED			

Mayor

CERTIFICATE

I, LAURA BAUMGARTNER, 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.

Laura Baumgartner, City Clerk