



Roll Call Number

24-0501

Agenda Item Number

26

Date April 1, 2024

RESOLUTION APPROVING FINAL TERMS OF AN URBAN RENEWAL DEVELOPMENT AGREEMENT AND MINIMUM ASSESSMENT VALUE WITH KEMIN INDUSTRIES, INC. AND KEMIN HOLDINGS, L.C. FOR THE REDEVELOPMENT OF 606 SE 23RD STREET INTO PRECAST WAREHOUSE AND APPROVING CONCEPTUAL DEVELOPMENT PLAN

WHEREAS, Kemin Industries, Inc. and Kemin Holdings, L.C. (collectively “Developer”), proposes to construct a 340,500 square foot precast warehouse for raw materials and finished goods at 606 SE 23rd Street (collectively “Improvements”) in the Southeast Agribusiness Urban Renewal Area; and

WHEREAS, construction of the Improvements is anticipated to be completed on or before August 31, 2025, at an estimated total project cost of \$28,000,000.00, subject to receipt of the financial assistance identified below; and

WHEREAS, pursuant to Roll Call No. 24-0257, approved on February 19, 2024, the City Council directed the City Manager to proceed with negotiation of a Development Agreement with the Developer for the project; and

WHEREAS, the City’s Office of Economic Development has negotiated an Urban Renewal Development Agreement (the “Development Agreement”) with the Developer, whereby the Developer has agreed to construct the Improvements, in accordance with the Conceptual Development Plan, which proposed Development Agreement and Conceptual Development Plan related thereto are on file in the office of the City Clerk; and

WHEREAS, the proposed Development Agreement provides that in consideration of the Developer’s commencement and completion of the Improvements, following expiration of the Industrial Tax Abatement provision in Iowa Code Section 427B, the City will provide an economic development grant in the amount of 80% of the project generated tax increment from the taxable building valuations (exclusive of land) for three (3) years; and

WHEREAS, the City’s TIF assistance is capped at a maximum of \$2,000,000 net present value; and

WHEREAS, the development agreement also requires the Developer to enter into a Minimum Assessment Agreement for the Improvements, setting the minimum assessed value at \$28,261,500.00; and

WHEREAS, at its meeting on February 20, 2024, the Urban Design Review Board voted 10-0 to recommend approval of final design of the Improvements as proposed by the Developer and set forth in the Conceptual Development Plan incorporated in the Development Agreement.



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

1. The City Council hereby makes the following findings in support of the proposed Development Agreement with Developer:

- a. Developer's obligations under the Development Agreement to redevelop the Property for a 340,500 square foot precast warehouse for raw materials and finished goods further the objectives of the Southeast Agribusiness Park Urban Renewal Plan to clear slum and/or blighted areas in the City, stimulate economic revitalization of the Southeast Agribusiness Urban Renewal Area (the "Urban Renewal Area"); retain and create livable wage jobs, and encourage the use of under-utilized land in the urban Renewal Area.
- b. The economic development incentives for the development of the Project are provided by the City pursuant to the Urban Renewal Law and Chapter 15A of the Code of Iowa, and Developer's obligations under this Agreement to construct the Improvements will generate the following public gains and benefits: (a) it will advance the improvement and redevelopment of the Project Area in accordance with the Urban Renewal Plan, (b) it will maintain and expand taxable property values, (c) it will establish conditions which attract further new investments and prevent the recurrence or spread of blight and blighting conditions to the surrounding area, and (d) it will further the City's efforts to retain and create job opportunities within the Project Area and surrounding area which might otherwise be lost.
- c. The construction of the Project is a speculative venture and the construction and the construction and resulting benefits would not occur without the economic incentives provided by the Development Agreement.
- d. The development of the Property pursuant to the Development Agreement, and the fulfillment generally of the Agreement, are in the vital and best interests of City and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of the applicable state and local laws and requirements under which the Project has been undertaken, and warrant the provision of the economic assistance set forth in the Agreement.

2. The Urban Renewal Development Agreement between the City and Developer, and the Conceptual Development Plan attached thereto, both as on file in the office of the City Clerk, are hereby approved, and the Mayor and City Clerk are hereby authorized and directed to execute and attest to, respectively, the Agreement on behalf of the City of Des Moines.

3. The Director of the Office of Economic Development or her designee are directed to submit a copy of the fully executed Development Agreement to the Finance Department for purposes of required Electronic Municipal Market Access disclosure filings.



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4. Upon requisition by the Office of Economic Development, the Finance Department shall advance the installments on the Economic Development Assistance pursuant to Article 4 of the Development Agreement.

5. The Development Services Director or designee(s) are hereby authorized and directed to administer the Development Agreement on behalf of the City, and to monitor compliance by the Developer with the terms and conditions of the Agreement. The Development Services Director is further directed to forward to City Council all matters and documents that require City Council review and approval in accordance with the Agreement.

(Council Communication No. 24-138)

MOVED BY Coleman TO ADOPT. SECOND BY Gatto

APPROVED AS TO FORM:

/s/ Lisa A. Wieland
Lisa A. Wieland, Assistant City Attorney

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include BOESEN, SIMONSON, VOSS, COLEMAN, WESTERGAARD, MANDELBAUM, GATTO, and TOTAL (YEAS: 7).

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.

Connie Boser Mayor

Laura Baumgartner City Clerk