

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	September 22, 2014
	Agenda Item No.	30
	Roll Call No.	<u>14-1474</u>
	Communication No.	<u>14-463</u>
	Submitted by:	Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Resolution approving Second Amendment to the Economic Development Financial Assistance Contract by Kemin Industries, Inc., the City of Des Moines and the Iowa Economic Development Authority (IEDA).

SYNOPSIS:

On the Council agenda is a resolution approving the Second Amendment to the IEDA Enterprise Zone contract with Kemin Industries, Inc. and related Kemin owned companies for its five-year master plan expansion of its worldwide corporate campus located at 2100 Maury. The second amendment increases the eligible capital investment being made by Kemin at its campus from \$39.6 million to \$125.5 million, and increases the number of projected jobs to be created from 98 to 139 at a qualifying wage threshold of \$23.21 per hour, plus benefits. The increase in capital investment and number of jobs created by Kemin, results in the state of Iowa total tax incentives award increasing from \$3.6 million to \$ 5.3 million.

FISCAL IMPACT: NONE

Amount: N/A

Funding Source: No fiscal impact to the city of Des Moines as the increases in tax incentives awarded are State of Iowa tax incentives related to investment tax credit and research activities credit to Iowa corporate income tax liability and a rebate of State sales tax on construction materials.

ADDITIONAL INFORMATION:

Kemin Industries continues to be an expanding major life sciences/agribusiness within the City. This expansion project is the company’s fifth major expansion at the Maury Street campus. Kemin’s previous expansions have resulted in investments in new buildings and equipment in excess of \$25 million and created 165 jobs. Kemin’s new five-year capital expansion plan consists of a new worldwide headquarters, new research and development facilities, and six (6) new manufacturing facilities. Total new building construction, machinery and equipment, and research and development expenditures were originally estimated at \$39.6 million, but now have grown to over \$125 million. With the increase in capital expenditures comes additional new job growth. Kemin had originally estimated new job creation at 98 employees, but now anticipates the creation of 139 new jobs. Kemin currently employs 332 workers in Des Moines at an average hourly wage of \$32.51 plus benefits, which will be retained in Des Moines.

PREVIOUS COUNCIL ACTION(S):

Date: March 11, 2013

Roll Call Number: [13-0418](#), [13-0419](#), and [13-0420](#)

Action: [On](#) proposed Amended and Restated Urban Renewal Development Agreement with Kemin Industries, Inc. and on the vacation and sale of City-owned real estate in the vicinity of SE 20th to SE 22nd Street, north of Scott Avenue, for expansion of home office, research and manufacturing facilities. ([Council Communication No. 13-124](#)) Moved by Meyer to adopt. Motion Carried 7-0.

- (A) [First](#) consideration of ordinance above. Moved by Meyer that this ordinance be considered and given first vote for passage. Motion Carried 7-0.
- (B) [Final](#) consideration of ordinance above (waiver requested by applicant), requires six votes. Moved by Meyer that the rule requiring that an ordinance must be considered and voted on for passage at two Council meetings prior to the meeting at which it is to be finally passed be suspended, that the ordinance be placed upon its final passage and that the ordinance do now pass, [#15,173](#). Motion Carried 7-0.

Date: June 13, 2011

Roll Call Number: [11-1048](#)

Action: [Urban](#) Renewal Development Agreement with Kemin Industries, Inc. for expansion of World-wide Corporate Headquarters and Corporate Campus, 2100 Maury Street. ([Council Communication No. 11-391](#)) Moved by Meyer to adopt. Motion Carried 7-0.

Date: May 23, 2011

Roll Call Number: [11-0921](#), [11-0922](#), and [11-0923](#)

Action: Items regarding the expansion of Kemin Industries, Inc. and the Kemin Corporate Campus: ([Council Communication No. 11-333](#))

- (A) [Hearing](#) on the proposed Urban Renewal Development Agreement with Kemin Industries, Inc.; proposed vacation of portions of Scott Avenue and SE 20th Street; proposed sale and conveyance of such vacated rights-of-way together with additional City-owned land, north of Scott Avenue between SE 20th and SE 22nd Streets to Kemin Industries, Inc.; and on the proposed rezoning of all such land together with additional land, north of Scott Avenue between SE 19th and SE 20th Streets from "M-1" (Light Industrial) to "M-2" (Heavy Industrial), for an expansion of the Kemin Home Office, Research and Manufacturing Facilities. Moved by Meyer to adopt. Motion Carried 7-0.
- (B) [Receive](#) and file recommendations from City Plan and Zoning Commission regarding proposed street vacations and rezoning. Moved by Meyer to receive and file. Motion Carried 7-0.
- (C) [Receive](#) and file recommendations from Urban Design Review Board regarding the level of financial assistance funded from tax increment revenues. Moved by Meyer to receive and file. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Plan & Zoning Commission

Date: May 19, 2011

Resolution Number: N/A

Action: Approval of recommendation for vacation of SE 20th Street right-of-way beginning at the southern SE Connector right-of-way line and extending south to the northern right-of-way line of Scott Avenue; and approval of recommendation for rezoning the Kemin Industries project site from M-1 Light Industrial District to M-2 Heavy Industrial District.

Board: Urban Design Review Board

Date: May 3, 2011

Resolution Number: N/A

Action: Approval of recommendation on the reasonable and appropriate use of financial assistance funded from tax increment revenues to assist the expansion project.

Board: Plan and Zoning Commission

Date: November 18, 2010

Resolution Number: N/A

Action: Approval of recommendation for vacation of Scott Avenue right-of-way beginning at E. 20th Street and extending to the proposed economic development project area.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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