

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	August 8, 2016
	Agenda Item No.	50B
	Roll Call No.	<u>16-1361</u>
	Communication No.	<u>16-436</u>
	Submitted by:	Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Resolution approving consent to collateral assignment of Urban Renewal Development Agreement and Agreement for financing of Electrical Power Products Headquarters (EP2).

SYNOPSIS:

On December 21, 2015 by Roll Call No. 15-2170, City Council approved an Urban Renewal Development Agreement with Electro Management Corp and Electrical Power Products, Inc. (EP2, Britt Baker 1800 East Hull Avenue Des Moines, Iowa 50313) for relocation and expansion of the corporate headquarters for EP2.

This roll call provides for the City’s consent to assignment of the development agreement to Bankers Trust Company as the entity that will finance the estimated \$18 million project.

FISCAL IMPACT:

There is no direct fiscal impact associated with the consent to collateral assignment. Terms of the original Development Agreement are as follows:

Amount: EP2 Economic Development Grant equal to 100% of the tax revenues generated until the amount of \$1,600,000 has been paid; 50% of the tax revenues in each following year. Total assistance period is 17 years with an estimated NPV of \$3.3 million.

Funding Source: Project generated tax increment in the SW 42nd Urban Renewal Area.

ADDITIONAL INFORMATION:

- EP2 provides power management systems for commercial and utility industries for power generation, transmission, and distribution.
- Products and services include relay panels, modular control system buildings, and wind farm equipment.
- The company has been in business in East Des Moines for 25 years and currently employs approximately 250-300 people, including professional engineers, logistics personnel and manufacturing management.

PREVIOUS COUNCIL ACTION(S):

Date: December 21, 2015

Roll Call Number: [15-2170](#)

Action: [Approving](#) Urban Renewal Development Agreement with Electro Management Corp. and Electrical Power Products, Inc., for the redevelopment of property within the SW 42nd and Army Post Urban Renewal Area, and approving Conceptual Development Plan. Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Urban Design Review Board

Date: December 1, 2015

Resolution Number: N/A

Action: Motion to approve as presented with details of the landscape plan, finalization on entryway and phased implementation of the site and facility by Reynolds. Seconded by C. Nagle. Motion carried. Yes – 10, No – 0, Absent – 0, Abstain – 0.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Issuance of Certificate of Completion for the project.

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