

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b>	May 7, 2018
	<b>Agenda Item No.</b>	<b>24</b>
	<b>Roll Call No.</b>	<b><u>18-772</u></b>
	<b>Communication No.</b>	<b><u>18-237</u></b>
	<b>Submitted by:</b>	<b>Erin Olson-Douglas, Economic Development Director</b>

**AGENDA HEADING:**

Resolution approving First Amendment to Economic Development Agreement with Kemin Industries, Inc., and Kemin Holdings, L.C.

**SYNOPSIS:**

On December 18, 2017, City Council approved several actions to sell vacated streets, alleys, and excess property, and provide an Economic Development Loan to Kemin Industries, Inc. and Kemin Holdings, LC to facilitate the continued expansion of the Kemin World-wide Campus in the vicinity of 1900 Scott and 2100 Maury Street. Late revisions to the Offer to Purchase Real Estate and Acceptance that effected the final purchase price, amounts to be paid in cash by Kemin at closing, and the amount of the City Economic Development Loan were not revised in the Economic Development Agreement. The Resolution approving the First Amendment to the Economic Development Agreement amends the agreement to be consistent with the revised final numbers contained in the approved Offer to Purchase Real Estate and Acceptance.

**FISCAL IMPACT:**

Amount: \$455,402 (Revenue)

Funding Source: The proceeds from the sale of this property shall be deposited into the following accounts:

- \$138,153 to the SE Connector Project, ST256
- \$317,249 deferred purchase price to fund economic development loan

**ADDITIONAL INFORMATION:**

- On December 18, 2017, by Roll Call No. 17-2192, Council approved an Offer to Purchase Real Estate and Acceptance to sell vacated streets, alleys, and excess property (“City Property”) from Kemin Industries, Inc. and Kemin Holdings, LC (collectively “Kemin”) to facilitate the continued expansion of the Kemin World-wide Campus in the vicinity of 1900 Scott and 2100 Maury Street.
- On December 18, 2017, by Roll Call No. 17-2193, Council approved an Economic Development Agreement that provides for a City Economic Development Loan to assist in the expansion of the Kemin World-wide Campus by funding a portion of the purchase price of the area being purchased by Kemin.

- The Offer to Purchase Real Estate and Acceptance contained late revisions arising from corrections to the final land area and identified the purchase price for the City Property to be \$455,402, with \$138,153 to be paid in cash by Kemin at closing, and the balance of \$317,249 to be paid with the proceeds of the Economic Development Loan, but the Economic Development Agreement was not revised to reflect these final numbers. The loan is forgivable at maturity in 5-years at 0% interest if terms and conditions of Development Agreement are met.
- The First Amendment to the Economic Development Agreement reflects the corrected final land area, purchase price, and Economic Development Loan to be consistent with the Offer to Purchase Real Estate and Acceptance.

**PREVIOUS COUNCIL ACTION(S):**

Date: December 18, 2017

Roll Call Number: [17-2190](#), [17-2191](#), [17-2192](#) and [17-2193](#)

Action: [On](#) vacation of City right-of-way bounded by Martin Luther King, Jr. Parkway on the north, Maury Street on the south, SE 23rd Street on the east, and the Union Pacific Railroad right-of-way on the west and conveyance of said vacated right-of-way and other excess City property within said boundary to Kemin Holdings, LC for \$455,402. Moved by Gatto to adopt. Motion Carried 7-0.

- (A) [First](#) consideration of ordinance above. Moved by Gatto that this ordinance be considered and given first vote for passage. Motion Carried 7-0.
- (B) [Final](#) consideration of ordinance above (waiver requested by the applicant), requires six votes. Moved by Gatto 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, [#15,638](#). Motion Carried 7-0.
- (C) [Economic](#) Development Agreement with Kemin Industries, Inc., represented by Elizabeth Nelson, Officer, to assist in Kemin's purchase of City-owned land for a further expansion of the Kemin home office, research and manufacturing facilities. ([Council Communication No. 17-839](#)) Moved by Gatto to adopt. Motion Carried 7-0.

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

Board: City Plan and Zoning Commission

Date: November 16, 2017

Resolution Number: 11-2017-1.15

Action: Recommend approval of vacation of segments of City Right-of-Way in the vicinity of Southeast 22<sup>nd</sup> Street and Shaw Street to be sold to Kemin Industries, Inc. for the proposed expansion of their home office, research, and manufacturing facilities campus.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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