


COUNCIL COMMUNICATION

	Number:	19-534	Meeting:	December 16, 2019
	Agenda Item:	34	Roll Call:	19-2019
	Submitted by:	Matthew A. Anderson, Deputy City Manager		

AGENDA HEADING:

Approving Second Amendment to Urban Renewal Development Agreement with Krause Group, LTD. f/k/a Krause Holdings, Inc. and Linden Street Investments, L.L.C., and Second Amendment to Economic Development Assistance Contract (No. 16-TC-016) with Iowa Economic Development Authority (IEDA), for the redevelopment of property at 1459 Grand Avenue.

SYNOPSIS:

Krause Group, LTD. (d/b/a Kum & Go), (Kyle Krause, Chairman and CEO, 1459 Grand Avenue, Des Moines, IA 50309) completed their 159,000-square-foot corporate headquarters in the Western Gateway in downtown Des Moines in 2018. Since that time, the building has become an architectural icon in Des Moines and is home to 275 plus new downtown employees.

Krause Group LTD. has requested two (2) amendments to their existing Agreement:

1. Increase the Minimum Assessment Agreement from \$100 per square foot to \$300 per square foot. This will more closely align with the building's actual assessment.
2. Reduce the number of jobs required per the Agreement from 300 to 275. Krause is required to begin reporting job totals in 2020. While Krause currently has 300 plus positions, naturally occurring vacancies and recruitment processes could make it difficult to report 300 employees at any specific point in time.

FISCAL IMPACT:

The increase in the minimum assessed value is not expected to have any impact on the Polk County Assessor's valuation.

ADDITIONAL INFORMATION:

- All other terms and conditions of the Agreement remain unchanged and binding upon both parties.

PREVIOUS COUNCIL ACTION(S):

Date: October 12, 2015

Roll Call Number: [15-1741](#)

Action: [Urban](#) Renewal Development Agreement with Krause Holdings, Inc. and Linden Street Investments, LLC and approving Economic Development Assistance Contract with Krause Holdings, Inc. and the Iowa Economic Development Authority for the redevelopment of 1459 Grand Avenue. ([Council Communication No. 15-547](#)) Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Urban Design Review Board

Date: September 22, 2015

Resolution Number: N/A

Action: Motion: Approve final design as presented with updates to the signage and landscape plans as they are finalized. Yes = 7; No = 0; Abstain = 1; Absent = 2.

Motion: Approve financial assistance package as proposed. Yes = 7; No = 0; Abstain = 1; Absent = 2.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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