

## COUNCIL COMMUNICATION

	Number:	<b>21-502</b>	Meeting:	<b>November 15, 2021</b>
	Agenda Item:	<b>26</b>	Roll Call:	<b>21-1730</b>
	Submitted by:	<b>Erin Olson-Douglas, Development Services Department Director</b>		

### AGENDA HEADING:

Resolution approving preliminary terms of an urban renewal development agreement with Landus regarding their proposal to consolidate and relocate office space and an innovation center to the City of Des Moines at 220 SW 9th Street.

### SYNOPSIS:

Landus is an agricultural technology-based and farmer-owned cooperative that is proposing to expand their employment opportunities and consolidate their office location and innovation center into a new headquarters located in the City of Des Moines. The client industry service for Landus is in the Ag/biotech sector focusing on agriculture innovation, data services and technology solutions. The company anticipates creating 25 new jobs with this relocation, which will include a 10-year lease and build out of approximately 25,000 square feet of commercial space at 220 SW 9th Street. The company will commit to generating a minimum of 1,000 hotel room stays within the City of Des Moines per year. The economic impact of the hotel commitment is estimated at over \$1.4 million over the initial five (5) year period.

The Office of Economic Development has negotiated preliminary terms of an urban renewal development agreement which provides for a \$250,000 forgivable loan to be paid in annual installments of \$50,000 over a five (5) year term. The terms of forgiveness on the loan would be based on their lease commitment and meeting or exceeding 1,000 hotel night stays per year in Des Moines.

### FISCAL IMPACT:

Amount: \$250,000 forgivable loan, to be paid in five (5) annual installments of \$50,000 over the course of the first five (5) years of their initial 10-year lease and forgiven based upon meeting or exceeding 1,000 hotel room stays per year.

Funding Source: Year 1 payment to be advanced from the Economic Development Enterprise Fund to be reimbursed with Metro Center Tax Increment. Years 2-5 to be paid with tax increment from the Metro Center Urban Renewal Area.

### ADDITIONAL INFORMATION:

- Landus currently employs 679 full-time permanent employees across the U.S. that serve their more than 7,000 farmer-owners. There are 65 existing Iowa jobs that would be associated with the new proposed headquarters with plans to create an additional 25 full-time jobs.

- The company has a partnership with a major tech company and is also considering other locations throughout Iowa and in California for its headquarters and innovation center location.
- Landus would agree to share the use of their large meeting facility with the City of Des Moines during non-peak company use in the spring and fall seasons.
- Landus is also interested in community collaborations that can bridge the urban and rural agricultural communities together, potentially offering educational opportunities and/or collaborations with the Des Moines Farmers Market, Science Center, school tours, and hosting events for community groups to share information about the current and future state of agriculture in Iowa.

**PREVIOUS COUNCIL ACTION(S): NONE**

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

- Final Terms of an Urban Renewal Development Agreement.

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