


COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	23-504	Meeting:	November 6, 2023
	Agenda Item:	29	Roll Call:	23-1544
	Submitted by:	Cody Christensen, Development Services Director		

AGENDA HEADING:

Resolution approving final terms of an urban renewal development agreement with Mav KG, LLC for the acquisition and retention of 250 jobs and a new 10-year lease for 40,000 square-feet of office space at 1100 Locust Street.

SYNOPSIS:

Mav KG, LLC (Chuck Maggelet, President, 185 S. State Street, Suite 800, Salt Lake City, Utah 84111) is an affiliate of FJ Management Inc., which is a growing company, with more than 800 convenience store locations across 20 states under the trade names *Maverik* and *Kum & Go*. Given its recent acquisition of Kum & Go, FJ Management Inc. is proposing to establish a new Des Moines-based office to serve as a regional headquarters for their expanding presence to the east.

The company anticipates acquiring and retaining 250 high quality jobs in Des Moines, in addition to a new 10-year lease and occupancy of approximately 40,000-square-feet of office space at 1100 Locust Street in Downtown Des Moines.

The Office of Economic Development has negotiated final terms of an urban renewal development agreement, which provides for a \$250,000 economic development grant to be paid in annual installments of \$25,000 over a 10-year term. The terms of the grant will be based on Mav KG, LLC's commitment to maintaining at least 250 jobs at or above an average salary of \$98,000, and primarily officing from their Downtown Des Moines office location, averaging three (3) or more days per work week.

FISCAL IMPACT:

Amount: \$250,000 economic development grant, to be paid in 10 annual installments of \$25,000 over the course of the 10-year lease

Funding Source: Metro Center Urban Renewal Area

ADDITIONAL INFORMATION:

- Mav KG, LLC plans to acquire and retain at least 250 employees in Downtown Des Moines, with an average salary of \$98,000. The development agreement will include annual reporting requirements and minimum thresholds for the total number of Downtown Des Moines employees

(250+) and total average salaries (\$98,000+). Grant compliance will be reviewed annually over the 10-year term of the agreement.

- The proposed investment for the office build-out is approximately \$1 million.

PREVIOUS COUNCIL ACTION(S):

Date: September 11, 2023

Roll Call Number: [23-1260](#)

Action: [Preliminary](#) terms of an urban renewal development agreement with FJ Management Inc. for the acquisition and retention of 250 jobs and a new 10-year lease for 40,000-square-feet of office space at 1100 Locust Street. ([Council Communication No. 23-407](#)) Moved by Gatto to adopt. Second by Boesen. Motion Carried 6-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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