


COUNCIL COMMUNICATION

 <p>CITY OF DES MOINES OFFICE OF THE CITY MANAGER</p>	Number:	24-533	Meeting:	December 23, 2024
	Agenda Item:	35	Roll Call:	[_____]
	Submitted by:	Cody Christensen, Development Services Director		

AGENDA HEADING:

Approval of First Amendment to Urban Renewal Agreement for sale of land for private redevelopment with Des Moines Industrial, LLC.

SYNOPSIS:

The purpose of this First Amendment to the Urban Renewal Agreement for sale of land for private redevelopment is to:

- Clarify the stormwater detention basin conveyance;
- Update the project scope to remove the requirement of construction of a 'minimum 37,500 square-foot bulk mineral storage building. The improvements for this portion of the project will come forward at a later date as a separate Phase 2 development agreement for Council's consideration;
- Update the completion timeline to reflect a completion date of June 1, 2025;
- Correct the duration of the development agreement to be consistent with the term of the incentive;
- Update the incentive payment timeline to reflect a date-certain, subject to all of the conditions precedent;
- Update the expiration of the supplemental economic development grant to reflect June 1, 2025;
- Update the conditions precedent for incentive payments to reflect the conveyance of the subject stormwater basin (mentioned above); and
- Clarify the legal descriptions between the City-conveyed land and Tax Increment Finance (TIF)-eligible project area.

FISCAL IMPACT:

This amendment does not propose any changes to the financial terms of the development agreement.

ADDITIONAL INFORMATION:

- Des Moines Industrial, LLC currently operates a 115,000-square-foot warehouse and transloading facility at 357 SE 15th Street, with more than 15,000-linear-feet of railroad track

spurs connecting to three (3) Class I and one (1) Class II rail lines. This connection to the convergence of several rail carriers makes this site uniquely competitive in the logistics sector.

- While the building was completed and occupied according to the original projected schedule, there are remaining site elements that are required to be completed, prompting the necessary timeline updates in this First Amendment.
- Des Moines Industrial, LLC will convey the completed stormwater basin on the northeast corner of East Martin Luther King Jr. Parkway and SE 15th Street, with the intention to construct a Phase 2 project on the northwest corner of East Martin Luther King Jr. Parkway and SE 15th Street. This Phase 2 development will prompt the existing stormwater basin to be decommissioned and replaced on an adjacent parcel to comply with stormwater regulations.

PREVIOUS COUNCIL ACTION(S):

Date: November 18, 2024

Roll Call Number: [24-1574](#)

Action: [Preliminary](#) terms of an Urban Renewal Development Agreement with Des Moines Industrial, LLC and Des Moines Industrial Land, LLC for the construction of a rail-connected silo infrastructure system, adjacent to the existing operation at 357 SE 15th Street. ([Council Communication No. 24-467](#)) Moved by Gatto to adopt. Second by Voss. Motion Carried 7-0.

Date: November 18, 2024

Roll Call Number: [24-1553](#)

Action: [Approving](#) completion and acceptance of private construction contract between Ryan Companies US, Inc. and Des Moines Industrial, LLC for storm sewer improvements located at 200 East 15th Street. Moved by Gatto to adopt. Second by Voss. Motion Carried 7-0.

Date: July 13, 2020

Roll Call Number: [20-1121](#)

Action: [Conceptual](#) Development Plan by Des Moines Industrial, LLC of property located in the vicinity of 200 SE 15th Street for development of a multi-modal transloading facility. ([Council Communication No. 20-311](#)) Moved by Gatto to adopt. Motion Carried 6-1. Absent: Boesen.

Date: December 16, 2019

Roll Call Number: [19-2067](#)

Action: [On](#) conveyance of City-owned property at 200 SE 15th Street to Des Moines Industrial, LLC for development of a multi-modal transloading facility within the SE AgriBusiness Urban Renewal Area, \$1,434,000. Moved by Gatto to adopt. Motion Carried 6-0. Mayor Cownie abstains from voting based on an appearance of a conflict of interest.

BOARD/COMMISSION ACTION(S):

Board: Plan and Zoning Commission

Date: June 1, 2023

Resolution Number: N/A

Action: Plan and Zoning Commission approval of Parts A & B of the request pertaining to sidewalks, and approval of Parts C & D of the request pertaining to outdoor storage and landscaping, subject to the following conditions:

1. Compliance with all administrative review comments.
2. All temporary outdoor storage areas shall be screened by a six (6)-foot tall chain-link fence with mesh or slats that must be maintained in good condition.
3. All temporary outdoor storage areas shall either be removed or established as permanent outdoor storage areas in compliance with site design criteria per Section 135-8.2.2, including ground surface material requirements, screening, and landscaping, by June 1, 2028.

Motion Passed 7-5.

Board: Urban Design Review Board

Date: May 16, 2020

Resolution Number: N/A

Action: Motion to recommend approval of the design as presenting by Hielkema. Seconded by Hanley. Motion carried. Yes = 7, No = 0, Abstain = 2, Absent = 0.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- Approval of Certificate of Completion by City Council.

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