

Date April 20, 2015

RESOLUTION APPROVING URBAN RENEWAL DEVELOPMENT AGREEMENT WITH EMPLOYERS MUTUAL CASUALTY COMPANY (EMC), AND APPROVING ECONOMIC DEVELOPMENT ASSISTANCE CONTRACT WITH EMC AND THE IOWA ECONOMIC DEVELOPMENT AUTHORITY, FOR THE REDEVELOPMENT OF PROPERTY AT 219 8TH STREET

WHEREAS, the City Manager has negotiated an Urban Renewal Development Agreement (the “Agreement”) with Employers Mutual Casualty Company (“EMC”), represented by Robert L. Link, whereby EMC has agreed to construct a four-story building on real property owned by EMC at the southeast corner of the intersection of 8th Street and Walnut Street, which property is now locally known as 712 Walnut Street and to be known as 219 8th Street (Polk County Assessor District/Parcel #020/01101-001-000), Des Moines (“Property”), which total project cost is estimated at \$39,000,000, and to undertake the following Improvements in conformance with the proposed Conceptual Development Plan:

- Construction of a four-story, approximately 107,000 square feet, building upon the Property, designed to be contextually compatible with the existing EMC campus in the area, including but not limited to collaborative meetings space, EMC’s Wellness Center, and space for computer, mechanical and printing equipment as further specified in the Agreement; and
- Landscaping, streetscape and site improvements upon the Property and adjacent right-of-way along Walnut Street and 8th Street fronting the building, in conformance with the applicable site plan standards, including additional curb bump-outs for the protection of pedestrian crosswalks and on-street parking areas, and upgrading the MidAmerican owned streetlights to City lighting standards and the curb line as finally established on the adjoining streets; and

WHEREAS, the proposed Agreement further provides that in consideration of the undertakings by EMC, the City shall provide economic development assistance in the form of an economic development grant payable in 30 semi-annual installments commencing on December 1, 2019, with each installment to be in an amount equal to 50% of the incremental taxes generated by the redevelopment of the Property, excluding tax levy and taxes generated by the Downtown Des Moines Self-Supported Municipal Improvement District, and in the form of a sustainability incentive grant of \$250,000.00, payable in 10 annual installments commencing within thirty days after EMC has provided notice to City documenting that the Improvements on the Property have received Leadership in Energy & Environmental Design (LEED) Certification or equivalent certification; and

WHEREAS, the proposed Agreement is on file and available for inspection in the office of the City Clerk; and

WHEREAS, at its meeting on March 3, 2015, the members of the Urban Design Review Board voted 10-0 in support of a motion to recommend approval of the level of financial assistance as originally proposed and 10-0 in support of a motion to recommend approval of the preliminary project design; and

WHEREAS, the Urban Design Review Board is expected to review the final project design on May 5, 2015, and thereafter the proposed Conceptual Plan will be submitted to the City Council for review; and

WHEREAS, in addition to the proposed City of Des Moines assistance, the project has received approval from the Iowa Economic Development Authority’s (IEDA’s) “High Quality Jobs Program” for a \$2,860,000 tax credit award, with required local match in the form of the above-stated assistance from the City; and

Date April 20, 2015

WHEREAS, City staff have negotiated the Economic Development Assistance Contract (No. 15-TC-023) between IEDA, EMC, and the City, in form on file in the office of the City Clerk, setting forth EMC's obligations under the High Quality Jobs Program and the City's obligations in regard to the local match requirement.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that:

1. The City Council hereby makes the following findings in support of the proposed Agreement with Employers Mutual Casualty Company ("EMC"):
 - a. EMC's obligations under the Agreement to construct the Improvements furthers the objectives of the Metro Center Urban Renewal Plan to preserve and create an environment which will protect the health, safety and general welfare of City residents, and maintain taxable values and employment opportunities within the Urban Renewal Project Area.
 - b. The economic development incentives for the development of the Improvements are provided by the City pursuant to the Urban Renewal Law and Chapter 15A of the Code of Iowa, and EMC's obligations under the Agreement to construct the Improvements will generate the following public gains and benefits: (i) it will further the City's efforts to retain and create job opportunities within the downtown area and the Urban Renewal Area which might otherwise be lost, and allows for the retention of 780 full-time equivalent high quality jobs and provides EMC with a strong future growth plan to allow for additional job growth; (ii) it will advance the improvement and redevelopment of the Project Area, including surrounding Walnut Street, in accordance with the Urban Renewal Plan; (iii) it will encourage further private investment and will attract and retain other businesses in the Project Area.
 - c. The construction of the Improvements is a speculative venture and the construction and resulting employment and redevelopment opportunities would not occur without the economic incentives provided by this Agreement.
 - d. The development of the Property pursuant to the Agreement, and the fulfillment generally of the Agreement, are in the vital and best interests of City and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of the applicable state and local laws and requirements under which the project has been undertaken, and warrant the provision of the economic assistance set forth in the Agreement.
2. The City Manager is directed to submit the proposed Conceptual Plan to the City Council for review and approval following Urban Design Review Board consideration and recommendation.
3. The Urban Renewal Development Agreement between the City and Employers Mutual Casualty Company is hereby approved, and the Mayor and City Clerk are hereby authorized and directed to execute the Agreement on behalf of the City of Des Moines.
4. The Economic Development Assistance Contract (15-TC-023) by Employers Mutual Casualty Company, the City of Des Moines, and the Iowa Economic Development Authority, is hereby approved in substantially the form on file in the office of the City Clerk, and the Mayor and City Clerk are hereby authorized and directed to execute the Agreement on behalf of the City of Des Moines following receipt from IEDA and approval as to form by the Legal Department.

Date April 20, 2015

5. Upon requisition by the City Manager or the City Manager's designee, the Finance Department shall advance the installments on the Economic Development Assistance pursuant to Article 4 of the Urban Renewal Development Agreement.
6. The City Manager or his designees are hereby authorized and directed to administer the Urban Renewal Development Agreement and Economic Development Assistance Contract (No. 15-TC-023) on behalf of the City and to monitor compliance by the Developer and City with the terms and conditions of said Agreements. The City Manager is further directed to forward to City Council all matters and documents that require City Council review and approval in accordance with said Agreements.

(Council Communication No. 15-209)

Moved by _____ to adopt.

APPROVED AS TO FORM:

Glenna K. Frank
 Glenna K. Frank, Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GATTO				
GRAY				
HENSLEY				
MAHAFFEY				
MOORE				
TOTAL				

MOTION CARRIED

APPROVED

 Mayor

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

 City Clerk