

Date December 21, 2015

RESOLUTION APPROVING URBAN RENEWAL DEVELOPMENT AGREEMENT WITH ELECTRO MANAGEMENT CORP., AND ELECTRICAL POWER PRODUCTS, INC., FOR THE REDEVELOPMENT OF PROPERTY WITHIN THE SW 42ND AND ARMY POST ROAD URBAN RENEWAL AREA, AND APPROVING PROPOSED CONCEPTUAL DEVELOPMENT PLAN

WHEREAS, on September 14, 2015, by Roll Call No. 15-1521, the City Council received and filed a communication from the City Manager's Office regarding Electrical Power Products' ("EP2") potential purchase and redevelopment of private property located at SW 42nd Street and Army Post Road ("Property") for relocation and expansion of EP2's industrial facility, and regarding urban renewal plan and economic development assistance in relation thereto; and

WHEREAS, on September 28, 2015, by Roll Call No. 15-1649, the City Council received and filed Council Communication No. 15-524 from the City Manager setting forth the preliminary terms of agreement with Electrical Power Products and/or its holding company, Electro Management Corporation, and directed the City Manager to proceed with negotiation of a development agreement with Electrical Power Products consistent with the terms set forth in said Communication; and

WHEREAS, in accordance with said Council direction, the City Manager has completed negotiations of an Urban Renewal Development Agreement (the "Agreement") with Electro Management Corp., and EP2 (collectively "Developer"), whereby the Developer has agreed to construct a minimum of 180,000 square feet of space at an estimated project cost of \$13,000,000 for business relocation and expansion, in exchange for the following economic development assistance:

1. Economic Development Grant by City to Developer to be paid in thirty-four semi-annual installments, providing 100% of project generated tax increment (TIF) until the amount of \$1,600,000.00 has been paid to Electro Management Corp., and thereafter providing 50% of project generated tax increment (TIF) for all remaining installments of the Grant.
2. Phase I of Developer's project will construct an approximately \$13,000,000 building of approximately 180,000 square feet to relocate the company's estimated 200 full-time and part-time employees from 1800 Hull Avenue. Phase II of Developer's project, estimated to be of similar size and scope, is proposed to occur as company growth demands.

WHEREAS, the proposed Agreement with Developer and the Conceptual Development Plan are on file and available for inspection in the office of the City Clerk; and

WHEREAS, at its meeting on December 1, 2015, the members of the Urban Design Review Board voted 10-0 in support of a motion to recommend approval of final design and financial assistance proposed by the Developer.

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

1. The City Council hereby makes the following findings in support of the proposed Urban Renewal Development Agreement with Electro Management Corp. and Electrical Power Products, Inc. (collectively "Developer"):
 - a. Developer's obligations under the Agreement to construct the improvements on the Property furthers the objectives of the Urban Renewal Plan for the SW 42nd and Army Post Road Urban Renewal Area, including the objectives to provide economic development investment and add taxable valuation and employment opportunities for the purpose of creating and sustaining development in a healthy, high quality environment that will retain and create livable wage jobs and generate an increased tax base.
 - 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 the Developer's obligations under the Agreement to construct the improvements upon the Property, will generate the following public gains and benefits: (i) it will advance the improvement and development of the Urban Renewal Area in accordance with the Urban Renewal Plan; (ii) it will retain existing job opportunities within the City of Des Moines and the Urban Renewal Area that might otherwise be lost and is anticipated to lead to future growth in such job opportunities; and (iii) it will assist in the maintenance and expansion of the tax base in the Urban Renewal Area.
 - c. The construction of the improvements on the Property is a speculative venture and the construction and resulting benefits would not occur without the economic incentives provided by this Agreement.
 - d. The redevelopment 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 Conceptual Development Plan, which is Exhibit "C" to the Development Agreement, is hereby approved.
3. The Urban Renewal Development Agreement by and between the City, Electro Management Corp., and Electrical Power Products, Inc., is hereby approved.
4. The Mayor and City Clerk and hereby authorized and directed to execute the Agreement on behalf of the City of Des Moines.

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5. Upon requisition by the City Manager or the City Manager's designee, the Finance Department shall advance the installments on the Economic Development Grants pursuant to Article 3 of the Agreement.
6. The City Manager or his designees are hereby authorized and directed to administer the Urban Renewal Development Agreement on behalf of the City, and to monitor compliance by the Developer with the terms and conditions of the Agreement. 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 the Agreement.
7. The resolution as set forth in Roll Call No. 15-1285 approved on July 27, 2015, including offer and terms of sale of City-owned real property located within the SE Agrimergent Business Park to Electro Management Corp., is hereby rescinded and nullified.

(Council Communication No. 15- 646)

MOVED by _____ to adopt.

APPROVED AS TO FORM:

Roger K. Brown

Roger K. Brown, Assistant City Attorney
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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