

Date August 14, 2017

RESOLUTION APPROVING FIRST AMENDMENT TO URBAN RENEWAL DEVELOPMENT AGREEMENT WITH KRAUSE HOLDINGS, INC. AND LINDEN STREET INVESTMENTS, L.L.C. AND ESTOPPEL LETTER FOR THE REDEVELOPMENT OF PROPERTY AT 1459 GRAND AVENUE

WHEREAS, on March 20, 2000, by Roll Call Nos. 00-788 and 00-789, the City Council of the City of Des Moines approved the Urban Renewal Plan for the Metro Center Urban Renewal Project, and such Plan has been amended eighteen times (the urban renewal plan as so amended is herein referred to as the "Plan"), encompassing an irregularly shaped area that includes the downtown core and the areas surrounding the downtown core; and

WHEREAS, on October 12, 2015, by Roll Call No. 15-1741, the City Council approved an Urban Renewal Development Agreement (the "Agreement") with Krause Holdings, Inc. ("Developer") and Linden Street Investments, L.L.C. ("Title Holder"), represented by Chad Rasmussen, whereby Developer agreed to redevelop real property owned by Title Holder located between Grand and Ingersoll Avenues and 14th and 15th Streets ("Property") for relocation of the Kum and Go corporate headquarters, to be known as the Krause Gateway Center, which total project cost is estimated at \$92,000,000, in exchange for economic development assistance in the form of tax increment financing as described in the Agreement; and

WHEREAS, the Agreement provides that the Developer shall complete the improvements by July 1, 2018, and that the City shall provide to Developer, upon request, an estoppel letter certifying that no current default under the Agreement exists; and

WHEREAS, Developer has requested an estoppel letter for purposes of financing its construction loan, and has further requested that the City amend the Agreement to allow for completion of the improvements to be delayed to November 1, 2018, with no changes to the City's economic development assistance as set forth in the Agreement, which proposed estoppel letter and First Amendment to the Agreement are on file and available for inspection in the office of the City Clerk.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that the First Amendment to the Urban Renewal Development Agreement and the estoppel letter are hereby approved subject to final approval as to form by the Legal Department; following approval as to form by the Legal Department, the Mayor is authorized and directed to execute said documents on behalf of the City of Des Moines and the City Clerk to attest to his signature; the City Manager or his designee(s) are authorized and directed to monitor compliance by the Developer with said Agreement as amended and to submit the estoppel letter to the Developer; and the City Manager is authorized and directed to execute any additional minor amendments to the Agreement and to return any substantive amendments to the Agreement to the City Council for consideration and approval.

★ Roll Call Number

Agenda Item Number

38

Date August 14, 2017

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 | | | | |
| MOORE | | | | |
| WESTERGAARD | | | | |
| 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