

Date March 11, 2013

RESOLUTION CLOSING HEARING ON AMENDED AND RESTATED URBAN RENEWAL DEVELOPMENT AGREEMENT WITH KEMIN INDUSTRIES, INC.; ON THE PROPOSED VACATION OF A PORTION OF SE 20TH STREET; AND ON THE PROPOSED SALE AND CONVEYANCE OF SUCH VACATED RIGHT-OF-WAY TOGETHER WITH ADDITIONAL CITY-OWNED LAND NORTH OF SCOTT AVENUE BETWEEN SE 20TH AND SE 22ND STREETS TO KEMIN INDUSTRIES, INC., FOR AN EXPANSION OF THE KEMIN HOME OFFICE, RESEARCH AND MANUFACTURING FACILITIES, AND APPROVING SAME

WHEREAS, pursuant to Chapters 403 and 15A of the Code of Iowa (the "Urban Renewal Law"), the City of Des Moines has undertaken a program to stimulate economic revitalization in an area of the City designated as the SE AgriBusiness Urban Renewal Area that will make use of an underutilized area of the City to accommodate the growth and expansion of agriculture related businesses; generate an increased tax base; retain and create livable wage jobs in a healthy, high quality environment; and, create and sustain an environment which will protect the health, safety, and welfare of the City; and, to this end the City is engaged in carrying out an economic development project known as the SE AgriBusiness Urban Renewal Project; and,

WHEREAS, Kemin Industries, Inc., is a multistate and international agribusiness company having its home office, research and manufacturing facilities, within the City of Des Moines and the SE AgriBusiness Urban Renewal Area; and,

WHEREAS, on June 13, 2011, by Roll Call No. 11-1048, in furtherance of the objectives of the Urban Renewal Law and the approved Urban Renewal Plan for the SE AgriBusiness Urban Renewal Area, the City Council approved an Urban Renewal Development Agreement (the "Original Agreement") with Kemin Industries, Inc., and its subsidiary Kemin Holdings, L.C., whereby the City agreed to provide certain economic incentives and to sell certain City-owned land to the companies in exchange for an undertaking by the two companies to renovate and expand their manufacturing facilities, research and development facilities, and world-wide corporate headquarters in the SE AgriBusiness Urban Renewal Area at an estimated total project cost of \$21,830,000, to retain 332 full-time equivalent employees, and to create jobs for at least 98 new full-time equivalent employees; and,

WHEREAS, Kemin Industries, Inc., and its subsidiaries now seek to acquire additional City-owned land to permit a larger expansion of their facilities and corporate headquarters; and,

WHEREAS, the City Manager has negotiated a proposed Amended and Restated Urban Renewal Development Agreement (the "Development Agreement") with Kemin Industries, Inc., Kemin Holdings, L.C., and Kemin Foods, L.C. (hereinafter collectively "Kemin"), for consideration by the City Council whereby the City would undertake the following obligations:

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- To complete the relocation of the remaining City facilities from, and the sale to Kemin of the following parcels, all more specifically described in Exhibit "A", for an aggregate purchase price of \$800,000 as provided in the Original Agreement:

<u>Parcel Name</u>	<u>Installment Due at Closing</u>	<u>Anticipated Closing Date</u>
East Parcel	\$480,000 paid	Closed on July 12, 2011
Northwest Parcel	\$200,000	May 31, 2013
Southwest Parcel	\$120,000	October 1, 2014

- To complete the vacation and sale to Kemin of the following segments of Scott Avenue and SE 20th Street south of the SE Connector, all as more specifically described in Exhibit "A", for an aggregate purchase price of \$95,400, with the purchase price to be paid with the proceeds of a Forgivable Economic Development Loan of the same amount by the City to Kemin as provided in the Original Agreement.

<u>Parcel Name</u>	<u>Installment Due at Closing</u>	<u>Anticipated Closing Date</u>
Vacated Scott Ave	\$66,000 paid	Closed on July 12, 2011
SE 20th Street (south)	\$29,400	October 1, 2014

- To sell to Kemin the additional parcels of City-owned land identified below and more specifically described in Exhibit "A", for the purchase prices identified below, with closing to occur within 30 days after completion and acceptance by the City of the adjoining portion of the S.E. Connector.

<u>Parcel Name</u>	<u>Purchase Price</u>
Parcel "E"	\$64,900
North Parcel	\$257,282
SE 20th Street (north)	\$26,136

- To grant Kemin a license for the construction and use of a private driveway under the S.E. Connector Viaduct at the location described in Exhibit "A", for a purchase price of \$10, with closing to occur within 30 days after completion and acceptance by the City of the adjoining portion of the S.E. Connector.
- To provide an Economic Development Grant to Kemin in the amount of \$500,000 to be paid in annual installments from project generated tax increment as provided in the Original Agreement, but with the first installment to be delayed to December 15, 2024, which is 10 years later than in the Original Agreement.

and Kemin would undertake the following obligations:

- to purchase the City properties as described above; and,
- to complete the expansion of its corporate campus in substantial conformance with the Amended Master Plan attached hereto as Exhibit "B", to retain at least 332 full-time equivalent jobs, and create an additional 98 full-time equivalent jobs,

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all as more specifically described in the accompanying Council Communication; and,

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

WHEREAS, on February 25, 2013, by Roll Call No. 13-0307, the City Council resolved that the proposed Development Agreement, the proposed vacation of a portion of SE 20th Street north of Scott Avenue; and the proposed sale to Kemin of such vacated right-of-way together with additional City-owned property described in Exhibit "A", be set down for hearing on March 11, 2013, at 5:00 P.M., in the Council Chambers at City Hall; and,

WHEREAS, due notice of said hearing was published in the Des Moines Register on February 28, 2013, as provided by law, setting forth the time and place for hearing on the proposed Development Agreement and the proposed vacation and sale of property; and,

WHEREAS, in accordance with said notice those interested in the proposed Development Agreement and the proposed vacation and sale of property, both for and against, have been given opportunity to be heard with respect thereto and have presented their views to the City Council.

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

1. Upon due consideration of the facts and statements and arguments of all interested persons, the objections to the proposed Development Agreement and the vacation and sale of property are hereby overruled, and the hearing is closed.
2. There is no public need for the portion of the SE 20th Street right-of-way proposed to be vacated and the public would not be inconvenienced by reason of the vacation and conveyance of such public right-of-way. The vacation of the portion of SE 20th Street right-of-way between Market Street and the S.E. Connector is hereby approved, subject to final passage of an ordinance vacating such right-of-way.
3. The proposed Amended and Restated Urban Renewal Development Agreement is hereby approved, subject to final passage of the ordinance vacating the portion of SE 20th Street between Market Street and the S.E. Connector.
4. Upon passage of an ordinance vacating the portion of SE 20th Street identified above, the Mayor is hereby authorized and directed to sign the Development Agreement on behalf of the City and the City Clerk is hereby authorized and directed to attest to the Mayor's signature on such document.

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5. The Mayor and City Clerk are hereby further authorized and directed to execute the Minimum Assessment Agreement and any Addendums to Minimum Assessment Agreement required in the administration of the Development Agreement, when requested by the City Manager or the City Manager's designee, and subject to the prior approval of the form thereof by the City Legal Department.

( Council Communication No. 13- 124 )

MOVED BY Meyer to adopt.

FORM APPROVED:

Roger K. Brown

Roger K. Brown

Assistant City Attorney

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Exhibits:

Exhibit "A" - Legal Descriptions

Exhibit "E" - Amended Master Plan

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
COLEMAN	✓			
GRIESS	✓			
HENSLEY	✓			
MAHAFFEY	✓			
MEYER	✓			
MOORE	✓			
TOTAL	7			

MOTION CARRIED

APPROVED

T. M. Franklin 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.

Diane Rauh

City Clerk