



Roll Call Number

14-0217

Agenda Item Number

23

Date February 10, 2014

RESOLUTION APPROVING URBAN RENEWAL DEVELOPMENT AGREEMENT WITH MARKET ONE, LLC, FOR THE REDEVELOPMENT OF PROPERTY IN THE VICINITY OF 130 E. 3RD STREET, AND APPROVING PROPOSED CONCEPTUAL DEVELOPMENT PLAN

WHEREAS, on November 4, 2013, by Roll Call No. 13-1726, the City Council approved preliminary terms of agreement with Doyle Properties, L.L.C., represented by Justin Doyle, Member, regarding a proposed \$14 million project to redevelop the existing building at 130 E. 3rd Street into the corporate headquarters for Modus Engineering, and directed the City Manager to proceed with negotiation of a formal agreement consistent with the terms set forth in Council Communication No. 13-547; and,

WHEREAS, Market One, LLC, represented by Justin Doyle, Member, was then established as the development entity to undertake the project; and,

WHEREAS, the City Manager has negotiated an Urban Renewal Development Agreement (the "Agreement") with Market One consistent with the preliminary terms of agreement, whereby Market One has agreed to cause Modus Engineering to occupy the building as its corporate headquarters, and to cause Modus Engineering, Market One, and related businesses to relocate and retain their current Des Moines employment base of 22 employees on the project site, with a goal of employing a total of 66 full-time employees at the project site, and to undertake the following Improvements in conformance with the proposed Conceptual Development Plan:

- To redevelop the building at 130 E. 3rd Street with approximately 57,000 square feet of finished floor area above grade for use as the corporate headquarters for Modus Engineering and with additional space to be available for lease;
To redevelop additional property east of 130 E. 3rd Street for surface parking with approximately 50 parking spaces and with awnings over the parking stalls incorporating a photovoltaic electric generation system;
To redevelop additional property southeast of 130 E. 3rd Street with approximately 90 parking spaces;
To incorporate geothermal heating and air conditioning, and LED lighting into the building that with the use of the photovoltaic electric generation system is expected to make the building a "net zero" building for energy consumption; and,
To utilize low impact storm water management practices; and,

WHEREAS, the proposed Agreement further provides that in consideration of the undertakings by Market One, the City shall provide an economic development grant payable in 15 annual installments commencing on December 1, 2016, with the first ten annual installments to be in an amount equal to 100% of the incremental taxes generated by the redevelopment of the

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building, and the last five annual installments to be in an amount equal to 75% of such incremental taxes; and,

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

WHEREAS, at its meeting on February 4, 2014, the five members of the Urban Design Review Board in attendance unanimously expressed their support for approval of the proposed project design and the financial assistance to be provided by the City.

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 Agreement with Market One, LLC:
  - a) Market One'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 Metro Center Urban Renewal Project Area.
  - b) The economic development incentives for the development of the Improvements are provided by the City pursuant to the Iowa Urban Renewal Law and Chapter 15A of the Code of Iowa, and Market One's obligations under the Agreement to construct the Improvements will generate the following public gains and benefits: (i) it will advance the improvement and redevelopment of the Project Area in accordance with the Urban Renewal Plan; (ii) it will encourage further private investment to reverse the pattern of disinvestment and declining property values in the surrounding area; and, (iii) it will further the City's efforts to retain and create job opportunities within the Project Area which might otherwise be lost.
  - c) The construction of the Improvements is a speculative venture and the construction and resulting benefits would not occur without the economic incentives provided by the 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 for the project, which is Exhibit "B" to the Development Agreement, is hereby approved,

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- 3. The Urban Renewal Development Agreement between the City and Market One, LLC, is hereby approved.
- 4. The Mayor and City Clerk are hereby authorized and directed to execute the Agreement on behalf of the City of Des Moines.
- 5. Upon requisition by the City Manager or the City Manager's designee, the Finance Department shall advance the installments on the Economic Development Grant pursuant to Article 4 of the Agreement.

( Council Communication No. 14- 056 )

MOVED by Wensley to adopt.

FORM APPROVED:

Roger K Brown  
 Roger K. Brown  
 Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
COLEMAN	✓			
GRAY	✓			
HENSLEY	✓			
MAHAFFEY	✓			
MOORE	✓			
VOSS	✓			
TOTAL	7			

MOTION CARRIED 7 APPROVED  
Y. M. Franklin Council 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