

Date July 28, 2014

RESOLUTION APPROVING URBAN RENEWAL DEVELOPMENT AGREEMENT WITH AMERICAN REPUBLIC INSURANCE COMPANY FOR RENOVATION OF ITS CORPORATE HEADQUARTERS AT 601 6TH STREET, AND APPROVING PROPOSED CONCEPTUAL PLAN

WHEREAS, on June 9, 2014, by Roll Call No. 14-0900, the City Council approved preliminary terms of agreement with American Republic Insurance Company ("American Republic"), represented by Michael Abbott, its President, whereby American Republic proposed to remain in Des Moines and make significant renovations to its corporate headquarters building at 601 6th Street; and,

WHEREAS, the City Manager has negotiated an Urban Renewal Development Agreement (the "Agreement") with American Republic consistent with the approved preliminary terms, whereby American Republic has agreed to undertake an extensive renovation of its 132,000 square foot headquarters building to upgrade the building to Class A office standards with state of the art energy, mechanical and life/safety systems at an estimated cost of over \$34 million, in consideration of financial incentives to be provided by the City and consisting of an Economic Development Grant to be paid in 30 semi-annual installments with each of the two installments due in each fiscal year to be equal to one-half of 50% of the new tax increment created by the improvements to the Property, and a Sustainability Incentive Grant to be paid in up to ten equal installments of \$25,000; and,

WHEREAS, the renovation of the headquarters building and the balance of the block bounded by Watson Powell Jr Way, Park Street, and 5th and 6th Avenues (collectively referred to as the "Property") pursuant to the Agreement will allow for the retention of the 250 high quality jobs now existing at that location, and provide for a strong future growth plan to allow for additional job growth; and,

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

WHEREAS, on July 15, 2014, the members of the Urban Design Review Board voted 6-0 in support of a motion to recommend approval of the proposed Conceptual Plan for the first phase of the improvements to the American Republic corporate headquarters building, and the City's proposed financial assistance to the project as identified above.

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 and the planned Improvements to the Property described above:

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- a. The planned Improvements to the Property further the objectives of the Urban Renewal Plan for the Metro Center Urban Renewal Project to maintain taxable values and employment opportunities within the Metro Center Urban Renewal Area, and to preserve and create an environment which will protect the health, safety and general welfare of City residents.
 - b. The economic incentives proposed to be provided by the City for the renovation of the Property shall be provided by the City to American Republic pursuant to the Iowa Urban Renewal Law and Chapter 15A of the Code of Iowa, and American Republic's obligations under the Agreement to renovate the Property 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 Metro Center Urban Renewal Area which might otherwise be lost; (ii) it will advance the improvement and redevelopment of the downtown area in accordance with the Urban Renewal Plan for the Metro Center Urban Renewal Project; and, (iii) it will encourage further private investment and will attract and retain other businesses in the downtown.
 - c. The renovation of the Property is a speculative venture and the completion of the Improvements and the resulting employment and redevelopment opportunities will not occur without the economic incentives provided by the Agreement.
 - d. The renovation of the Property and the investment by American Republic in the renovation of its corporate headquarters is 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 Metro Center Urban Renewal Project has been undertaken, and warrant the provision of the economic assistance set forth in the Agreement.
2. The Conceptual Plan for the project, which is Exhibit "B" to the Agreement, is hereby approved.
 3. The Urban Renewal Development Agreement between the City and American Republic Insurance Company 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 and Sustainability Grant pursuant to Article 3 of the Agreement.
 6. The City Manager or his designees are hereby authorized and directed to administer the 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

(continued)

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to City Council all matters and documents that require City Council review and approval in accordance with the Agreement.

(Council Communication No. 14- 357)

MOVED by Mahaffey to adopt.

FORM APPROVED:

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	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