



Roll Call Number

15-2124

Agenda Item Number

25

Date December 21, 2015

RESOLUTION APPROVING URBAN RENEWAL DEVELOPMENT AGREEMENT
WITH MAREL MEAT PROCESSING INC., FOR THE DEVELOPMENT OF ITS
INNOVATION CENTER AT 401 SW 7th STREET

WHEREAS, on July 13, 2015, by Roll Call No.15-1206, the City Council approved preliminary terms of agreement with Marel Meat Processing Inc., the successor to Townsend Engineering Company, for a proposed financial assistance package for development of its new Innovation Center in Des Moines, and directed the City Manager to negotiate a development agreement based on the approved preliminary terms; and,

WHEREAS, the City Manager has negotiated a Urban Renewal Development Agreement (the "Agreement") with Marel Meat Processing Inc. (hereinafter "Marel"), whereby:

- Marel shall lease the 37,700 square foot commercial building at 401 SW 7th Street and shall renovated the leased premises at an estimated cost of \$2.5 million for occupancy by its Innovation Center facilities and operations; and shall maintain at least 70 full-time equivalent jobs having an average salary of at least \$70,000 at the leased premises until December 31, 2026, which undertakings are hereinafter collectively referred to as the "Marel Project";
- The City shall provide a Forgivable Economic Development Loan in the amount of \$150,000 to be advanced upon occupancy of the leased premises, with \$15,000 of the loan to be forgiven each year for the first ten years if Marel satisfies its obligations regarding the occupancy and number of jobs at the leased premises; and an Economic Development Grant payable in ten annual installments commencing on June 1, 2018, with each installment to be equal to 50% of the project generated tax increment;

all as more specifically described in the Agreement which is 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, as follows:

1. The City Council hereby makes the following findings in support of the Agreement:
 - a) Marel is the leading global provider of advanced equipment, systems and services to the fish, meat and poultry industries, and the Marel Project will continue to generate new opportunities for the Iowa economy and encourage expansion of the Marel operations.
 - b) The Marel Project furthers the objectives of the Metro Center Urban Renewal Plan to preserve and create an environment within the Urban Renewal Area which will protect the health, safety, and general welfare of City residents, expand taxable values

(continued)



Date December 21, 2015

-2-

of properties, and strengthen central Des Moines as the business, financial, and administrative center of the metropolitan area.

- c) The economic development incentives for renovation of the Leased Premises and the creation and retention of employment at the leased premises shall be provided by the City pursuant to the Urban Renewal Law and Chapter 15A of the Code of Iowa, and the obligations of Marel under the Agreement to renovate the Leased Premises and locate employees in the Leased Premises will generate the following public gains and benefits: (i) it will help maintain and expand taxable values in the Urban Renewal Area; (ii) it will encourage further private investment and will attract and retain businesses in the Urban Renewal Area to reverse the pattern of disinvestment and provide for economic stabilization within the Urban Renewal Area; and (iii) it will further the City's efforts to create and retain job opportunities within the Urban Renewal Area which might otherwise be lost.
 - d) The Marel Project and resulting job creation and retention opportunities would not occur without the economic incentives provided by the Agreement and the public gains and benefits for urban renewal and economic development resulting from the Marel Project are warranted in comparison to the amount of such assistance.
 - e) The City Council believes that the Marel Project and the fulfillment generally of the Agreement, are in the vital and best interests of the 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 Marel Project has been undertaken and warrant the economic assistance set forth in the Agreement.
2. The Agreement with Marel Meat Processing Inc., identified above is hereby approved. The Mayor is hereby authorized and directed to execute the Agreement on behalf of the City and the City Clerk is hereby authorized and directed to attest to the Mayor's signature on the Agreement.
 3. Upon requisition by the City Manager or the City Manager's designee, the Finance Department shall advance the Forgivable Economic Development Loan and the installments on the Economic Development Grant pursuant to Article 2 of the Agreement.
 4. 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 Marel 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.

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-3-

(Council Communication No. 15- 645)

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 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