



Roll Call Number

18-0886

Agenda Item Number

44

Date May 21, 2018

RESOLUTION APPROVING URBAN RENEWAL DEVELOPMENT
AGREEMENT WITH KOK VERMONT STREET, LLC, FOR REDEVELOPMENT
OF 1300-1350 VERMONT STREET IN THE CENTRAL PLACE INDUSTRIAL
PARK REDEVELOPMENT PROGRAM URBAN RENEWAL AREA

WHEREAS, on January 8, 2018, by Roll Call No. 18-0058, the City Council approved preliminary terms of an agreement with KOK Vermont Street, LLC (hereinafter "KOK Vermont"), represented by Todd Mendenhall, officer, regarding its proposal to purchase the City-owned property in the vicinity of 1300-1350 Vermont Street (hereinafter the "Property") for redevelopment with a new high cube warehouse, subject to receipt of economic assistance from the City, all as more specifically described in Council Communication No. 18-007; and,

WHEREAS, by said Roll Call No. 18-0058, the City Council directed the Office of Economic Development to proceed with negotiation of a formal agreement with KOK Vermont consistent with the preliminary terms for presentation to the City Council at a future meeting; and,

WHEREAS, May 7, 2018, by Roll Call No. 18-0806, the City Council approved an *Offer to Purchase Real Estate from the City of Des Moines and Acceptance* (hereinafter the "Offer and Acceptance") whereby the City has agreed to sell the Property to KOK Vermont for a purchase price of \$210,000, subject to KOK Vermont obtaining City Council approval of the plan for the redevelopment of the property; and,

WHEREAS, the City Manager has negotiated final terms of an agreement with KOK Vermont whereby KOK Vermont has agreed to redevelop the Property with a new high cube warehouse containing approximately 60,000 square feet and with related landscaping, streetscape, driveways, parking and stormwater management facilities (collectively the "Improvements") in conformance with an Enhanced Site Plan approved by City, and the City will provide the following economic assistance:

- A Forgivable Economic Development Loan in the amount of \$210,000, to be advanced at closing on KOK Vermont's purchase of the Property, and forgiven upon substantial completion of the Improvements in substantial compliance with the Agreement and approved Enhanced Site Plan;
- An Initial Economic Development Grant in the amount of the out-of-pocket costs paid to unrelated third party contractors that are associated with the investigation and remediation of environmental contamination on the site, with the amount of such grant not to exceed \$25,000, and to be advanced in one installment upon substantial completion of the Improvements in substantial compliance with the Agreement and approved Enhanced Site Plan;
- A Primary Economic Development Grant in the amount of \$200,000, to be advanced in one installment on December 1, 2019, after completion of the Improvements,



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44

-2-

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all as more specifically described in the Urban Renewal Development Agreement (the "Agreement") now on file and available to the public in the office of the City Clerk.

WHEREAS, the Offer and Acceptance and the Agreement collectively implement the approved preliminary terms of agreement.

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

- 1. The proposed Agreement with KOK Vermont Street, LLC, is hereby approved.
2. The Mayor is authorized and directed to sign the Agreement on behalf of the City of Des Moines, and the City Clerk is hereby authorized and directed to attest to the Mayor's signature on such document.
3. 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 KOK Vermont with the terms and conditions of such Agreement.
4. Upon requisition by the City Manager or the City Manager's designee, the Finance Department shall advance the proceeds of the Forgivable Economic Development Loan, and the Initial and Primary Economic Development Grants, as provided in the Agreement.

(Council Communication No. 18- 257)

MOVED by Gray to adopt.

FORM APPROVED:

Roger K. Brown

Roger K. Brown, Assistant City Attorney

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Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, BOESEN, COLEMAN, GATTO, GRAY, MANDELBAUM, WESTERGAARD, and TOTAL.

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.

MOTION CARRIED APPROVED Y.M. Franklin Council Mayor

Diane Rauh City Clerk