



Roll Call Number

18-0925

Agenda Item Number

68A

Date May 21, 2018

APPROVING PRELIMINARY DEVELOPMENT AND ESCROW AGREEMENT WITH EMPLOYERS MUTUAL CASUALTY COMPANY FOR THE DEVELOPMENT OF 701 WALNUT STREET.

WHEREAS, Employers Mutual Casualty Company (“EMC”), LLC, 717 Mulberry Street Des Moines, Iowa 50309) is proposing to develop the East Side of the Former Younkers site at 701 Walnut Street and construct an office tower; and,

WHEREAS, EMC has provided the Office of Economic Development with a financial analysis of the project, indicating that based on actual project costs the project would not be developed without and seeks a financial assistance package to be provided from project generated tax increment as more specifically described in the accompanying Council Communication; and,

WHEREAS, the acquisition of the property will be by trading real estate with Blackbird Investments, LLC, which has already entered into an agreement for development financial assistance package to be provided from project generated tax increment at 701 Walnut, but will incur additional costs to be provided through an escrow fund that EMC seeks to have administered by the City; and,

WHEREAS, the City Manager has negotiated a Preliminary Development and Escrow Agreement that is on file with the City Clerk’s Office that would provide for basic terms for a final development agreement that would be presented to Council for its approval and provides for establishment of an escrow account to assist in the development of 555 Walnut that the City would administer subject to terms to be negotiated with Blackbird Investments, LLC.

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

1. The Preliminary Development and Escrow Agreement is hereby approved. The Mayor and City Clerk are hereby authorized and directed to execute the Agreement on behalf of the City of Des Moines.

2. The City Manager or his designees are hereby authorized and directed to administer the Preliminary Development and Escrow Agreement on behalf of the City, including the necessary actions to establish the required escrow account and to monitor compliance by 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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MOVED by Boesen to adopt.

FORM APPROVED:

Thomas G. Fisher Jr.

Thomas G. Fisher Jr.
Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
BOESEN	✓			
COLEMAN	✓			
GATTO	✓			
GRAY	✓			
MANDELBAUM				✓
WESTERGAARD	✓			
TOTAL	6			1

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.

T. M. Franklin Council Mayor

Diane Rauh City Clerk