



Roll Call Number

18-1844

Agenda Item Number

30

Date November 5, 2018

**RESOLUTION APPROVING FIRST AMENDMENT TO ECONOMIC DEVELOPMENT ASSISTANCE CONTRACT (NO. 16-TC-016) WITH IOWA ECONOMIC DEVELOPMENT AUTHORITY AND KRAUSE HOLDINGS, INC. FOR THE REDEVELOPMENT OF PROPERTY AT 1459 GRAND AVENUE**

**WHEREAS**, on October 12, 2015, by Roll Call No. 15-1741, the City Council approved an Urban Renewal Development Agreement with Krause Holdings, Inc. (“Developer”) and Linden Street Investments, L.L.C. (“Title Holder”), represented by Chad Rasmussen, whereby Developer agreed to redevelop real property owned by Title Holder located between Grand and Ingersoll Avenues and 14<sup>th</sup> and 15<sup>th</sup> Streets (“Property”) for relocation of the Kum and Go corporate headquarters, also known as the Krause Gateway Center, which total project cost was estimated at \$92,000,000, in exchange for economic development assistance in the form of tax increment financing as described in the Agreement; and

**WHEREAS**, on August 14, 2017, by Roll Call No. 17-1376, the City Council approved the First Amendment to the Urban Renewal Development Agreement delaying the deadline for completion of the project improvements from July 1, 2018 to November 1, 2018; and

**WHEREAS**, in addition to the Urban Renewal Development Agreement, the project received approval from the Iowa Economic Development Authority’s (IEDA’s) “High Quality Jobs Program” for an \$18,590,000 tax credit award, with required local match in the form of the assistance from the City as approved by Roll Call No. 15-1741; and

**WHEREAS**, on October 12, 2015, by Roll Call No. 15-1741, the City Council also approved an Economic Development Assistance Contract (No. 16-TC-016) (“Contract”) between IEDA, Developer, and the City, in substantially the form on file in the office of the City Clerk, setting forth Developer’s obligations under the High Quality Jobs Program and the City’s obligations in regard to the local match requirement; and

**WHEREAS**, the Contract provided that the Developer shall complete the project by August 31, 2019, with a maintenance period completion date of August 31, 2021; and

**WHEREAS**, Developer and IEDA have requested that the City approve a Contract Amendment to revise the project completion date to August 31, 2020, and the maintenance period completion date to August 31, 2022, with no changes to the City’s obligations under the Contract or under the Urban Renewal Development Agreement, which proposed Contract Amendment is on file in the office of the City Clerk.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Des Moines, Iowa, that the Contract Amendment to Economic Development Assistance Contract (No. 16-TC-016) is hereby approved; the Mayor is authorized and directed to execute said Amendment on behalf of the City of Des Moines; the City Manager or his designee(s) are authorized and directed to monitor compliance by the Developer with said Contract as amended; and the City Manager is authorized and directed to execute any additional minor amendments to the Contract and to return any substantive amendments to the Contract to the City Council for consideration and approval.



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MOVED BY

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TO ADOPT.

APPROVED AS TO FORM:

Glenna K. Frank

Glenna K. Frank, Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
BOESEN	✓			
COLEMAN	✓			
GATTO	✓			
GRAY	✓			
MANDELBAUM	✓			
WESTERGAARD	✓			
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.

Diane Rauh

City Clerk

J. M. Franklin Cownie Mayor