



Roll Call Number

20-0534

Agenda Item Number

34

Date March 23, 2020

**RESOLUTION APPROVING DEVELOPMENT AGREEMENT WITH 111 JEFFERSON AVE, LLC (T. MICHAEL PRICE) FOR REDEVELOPMENT OF 111 JEFFERSON AVENUE, AND APPROVING PROPOSED CONCEPTUAL DEVELOPMENT PLAN**

**WHEREAS**, on May 20, 1985, by Roll Call No. 85-2388, the City Council of the City of Des Moines approved the Central Place Industrial Park Redevelopment Program Urban Renewal Plan, and such Plan has been amended 15 times (the urban renewal plan so amended is herein referred to as the "Plan"), bounded on the north and east by the Des Moines River, on the west by 2<sup>nd</sup> Avenue, and on the south by University Avenue; and

**WHEREAS**, Commonwealth Electric Company of the Midwest ("Commonwealth Electric"), a commercial multistate full-service electrical and communications contractor with offices in Nebraska, Iowa, and Arizona, has a regional office and warehouse located at 1530 2nd Avenue, Des Moines; and

**WHEREAS**, on January 28, 2019, by Roll Call No. 19-0157, the City Council approved the vacation and conveyance of real property locally known as 111 Jefferson Avenue and adjoining right-of-way ("Property") within the Central Place Industrial Park to 111 Jefferson Ave, LLC ("Developer"), represented by T. Michael Price, Managing Member, in exchange for the purchase price of \$43,500.00, for commercial development of a 9,000 square foot warehouse use ("Improvements") for expansion of Commonwealth Electric's multistate business as a tenant of the Developer and the Property, which project has an estimated minimum cost of \$880,000.00; and

**WHEREAS**, the City Manager has negotiated an Urban Renewal Development Agreement (the "Development Agreement") with the Developer, whereby the Developer has agreed to construct the Improvements in accordance with a City-approved site plan and the Conceptual Development Plan, which proposed Development Agreement and the Conceptual Development Plan related thereto are on file and available for inspection in the office of the City Clerk and Economic Development, respectively; and

**WHEREAS**, the proposed Development Agreement provides that in consideration of the undertakings by Developer, the City shall provide economic development assistance for redevelopment of the Property in the form of a forgivable loan to Developer in the amount of \$43,500.00, to be advanced and applied for the redevelopment of the Property following execution of the Development Agreement by the City and forgiven following Developer's construction of the Improvements and City approval and issuance of the Certificate of Completion related thereto; and

**WHEREAS**, at its meeting on March 12, 2019, a consensus of the members present of the Urban Design Review Board voted in support to recommend approval of final design as proposed by the Developer and set forth in the Conceptual Development Plan attached to the Development Agreement.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Des Moines, Iowa, that:

1. The City Council hereby makes the following findings in support of the proposed Development Agreement with 111 Jefferson Ave, LLC:
  - a. Developer's obligations under the Development Agreement to construct the Project furthers the objectives of the Central Place Industrial Park Redevelopment Program Urban Renewal Plan to formulate and execute a workable program utilizing appropriate private and public resources to develop an industrial park for both existing and future industries in the Plan Area; to create an environment within the Urban Renewal Area to protect the health, safety and general welfare of City residents; to



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preserve existing property values; to retain and create employment; and to maintain and expand taxable values of properties within and adjacent to the Urban Renewal Project Area.

- b. The economic development incentives for the development of the Project are provided by the City pursuant to the Urban Renewal Law and Chapter 15A of the Code of Iowa, and Developer's obligations under the Agreement to construct the Improvements will generate the following public gains and benefits: (i) it will advance the improvement and redevelopment of the Urban Renewal Project Area in accordance with the Urban Renewal Plan; (ii) it will support an existing local business and retain existing job opportunities within the City of Des Moines that might otherwise be lost and is anticipated to lead to a future growth in job opportunities in the Urban Renewal Area; (iii) it will assist in the maintenance and expansion of the tax base in the Urban Renewal Area; and (iv) it will encourage further private investment in the Urban Renewal Area to reverse the historic pattern of disinvestment.
- c. The redevelopment of the Property pursuant to the Development Agreement, and the fulfillment generally of the Agreement, are 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 Project has been undertaken, and warrant the provision of the economic assistance set forth in the Agreement.

2. The Urban Renewal Development Agreement between the City and 111 Jefferson Ave, LLC, and the Conceptual Development Plan attached thereto, both as on file in the office of the City Clerk or Economic Development, respectively, are hereby approved, and the Mayor and City Clerk are hereby authorized and directed to execute the Agreement on behalf of the City of Des Moines.

3. The Director of the Office of Economic Development or her designee are directed to submit a copy of the fully executed Development Agreement to the Finance Department to enable the Finance Director to make any appropriate disclosure filings in accordance with the City's adopted revised Disclosure Policy.

4. The City Manager or his designees are hereby authorized and directed to administer the Development 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 to City Council all matters and documents that require City Council review and approval in accordance with the Agreement.

(Council Comm. No. 20-140)

MOVED BY Mandelbaum TO ADOPT.

APPROVED AS TO FORM:

/s/ Glenna K. Frank  
Glenna K. Frank, Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
BOESEN	✓			
GATTO	✓			
GRAY	✓			
MANDELBAUM	✓			
VOSS	✓			
WESTERGAARD	✓			
TOTAL	7			

MOTION CARRIED APPROVED  
J. M. Franklin Mayor

CERTIFICATE

I, P. KAY CMELIK, 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.

P. Kay Cmelik City Clerk