

★ Roll Call Number

20-1882

Agenda Item Number

27 A

Date November 23, 2020

RESOLUTION APPROVING FIRST AMENDMENT TO URBAN RENEWAL DEVELOPMENT AGREEMENT WITH ELECTRO MANAGEMENT CORP. AND ELECTRICAL POWER PRODUCTS, INC. (BRITT BAKER) FOR A 60,000 SQUARE FOOT ADDITION TO THE EXISTING PRODUCTION FACILITY LOCATED AT 4240 ARMY POST ROAD

WHEREAS, on December 21, 2015, by Roll Call No. 15-2170, the City Council approved an Urban Renewal Development Agreement (“Agreement”) with Electro Management Corp. and Electrical Power Products, Inc. (“EP2”), Britt Baker, CEO, for the phased redevelopment of private property located at SW 42nd and Army Post Road for relocation and expansion of EP2’s industrial facility, to be constructed and maintained in conformance with the approved Conceptual Development Plan, with an estimated project cost of \$13,000,000, and with economic development assistance applicable to the Phase I Improvements only; and

WHEREAS, on April 9, 2018, by Roll Call No. 18-0582, the City Council approved the issuance of the Certificate of Completion for the Phase I Improvements for said project, which improvements included construction of a 242,800 square-foot production and office facility located on a 20.8-acre parcel within the SW 42nd and Army Post Urban Renewal Area; and

WHEREAS, the Developer now intends to construct an addition to the Phase I building (“Phase I-A Improvements”) for use by Developer as expansion of its production and office facility, with an anticipated minimum project cost of \$5,900,000.00, which addition shall contain a minimum of 60,000 square feet of warehouse space, constructed with similar and consistent color, design, materials, and landscaping as the Phase I Improvements, to be shown in a proposed amendment to the approved Conceptual Development Plan, with an anticipated construction schedule of commencement in fall 2020 and completion in summer 2021; and

WHEREAS, City Economic Development staff and the Developer have negotiated terms of a First Amendment to the Agreement, on file in the office of the City Clerk, whereby, in exchange for construction of the Phase I-A Improvements under the currently proposed schedule, the City will provide an Economic Development Grant, in the same form as and concurrently with that being provided for the Phase I Improvements, in an amount equal to one-hundred percent (100%) of the tax increment (TIF) generated by the Phase I-A Improvements until the amount of \$1,600,000.00, total, for combined Phase I and Phase I-A Improvements has been paid to Developer, and thereafter in an amount equal to fifty percent (50%) of the tax-increment (TIF) generated by the Phase I-A Improvements, and terminating upon expiration of the Agreement on December 10, 2035, with no further payments to Developer thereafter; and

WHEREAS, the estimated value of the City’s financial incentive for the Phase I-A Improvements is \$1,016,267.00 (cash; \$723,113.00 net present value), equal to approximately 13.6 percent of the estimated project cost; and

WHEREAS, Developer has agreed to following terms relating to the Phase I-A Improvements as set forth in the First Amendment:

- Installation of public sidewalk on the eastern property frontage along SW 42nd Street to line up with existing walk installed on the north side of Gannett Avenue;
- Compliance with the applicable Energy Code requirements and Mid-American Energy’s Commercial New Construction program resulting in receipt by the Developer of a return on investment (ROI) over a ten-year period, including energy audit for the Improvements to be completed by Willdan Group, Inc.; and
- Installation of a minimum of two electric vehicle charging stations, capable of supplying charging capacity for at least four vehicles, in the employee parking lot on the project property; and

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WHEREAS, at a regularly scheduled meeting in December 2020, the members of the Urban Design Review Board will consider the design of the proposed Phase I-A Improvements, with recommendation to be presented to the City Manager and thereafter to the City Council for consideration of an amendment to the Conceptual Development Plan for the project.

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

- 1. The First Amendment to the Urban Renewal Development Agreement by and between the City and Electro Management Corp. and Electrical Power Products, Inc. is hereby approved, and the Mayor is authorized and directed to execute said documents on behalf of the City of Des Moines and the City Clerk to attest to his signature.
2. The amendment to the Conceptual Development Plan for the Project showing the proposed Phase I-A Improvements shall be submitted by the Office of Economic Development to the City Council for consideration, following review and recommendation by the City's Urban Design Review Board in accordance with the Agreement.
3. The City Manager or his designee(s) are authorized and directed to administer the Agreement as amended.
4. The Economic Development Director or her designee are directed to submit a copy of the fully executed Amendment 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.
5. The City Manager is authorized and directed to execute any additional minor amendments to the Agreement and to return any substantive amendments to the Agreement to the City Council for consideration and approval.

(Council Comm. No. 20-506)

MOVED BY Gatto TO ADOPT.

APPROVED AS TO FORM:

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

Table with columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, BOESEN, GATTO, GRAY, MANDELBAUM, VOSS, WESTERGAARD, TOTAL, MOTION CARRIED, APPROVED. Includes signature of J.M. Franklin Cownie, 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.
Signature of P. Kay Cmelik, City Clerk