



Roll Call Number

22-1146

Agenda Item Number

3a

Date July 18, 2022

**RESOLUTION APPROVING PRELIMINARY TERMS OF AN URBAN RENEWAL DEVELOPMENT AGREEMENT WITH EXODUS GROUP INVESTMENTS, LLC FOR THE CONSTRUCTION OF A NEW DISTRIBUTION LIGHT ASSEMBLY WAREHOUSE AT 1717 E. ARMY POST ROAD**

**WHEREAS**, Exodus Group Investments, LLC (1825 E. Army Post Road, Des Moines, IA 50320) (“Developer”), represented by Jeret Koenig, Member, proposes to construct a new distribution/light-assembly warehouse on the parcel located at 1717 E. Army Post Road; and

**WHEREAS**, the warehouse will consist of a new 305,760 square-foot building for distribution and light assembly; and

**WHEREAS**, the project is anticipated to cost approximately \$25,989,600 to construct, is expected to be completed in November 2023, and when complete, will create approximately 180 jobs; and

**WHEREAS**, the City’s Office of Economic Development has negotiated preliminary terms of an Urban Renewal Development Agreement with the Developer, all as more specifically described in the accompanying Council Communication, which provides for tax abatement and tax increment financing (TIF) to respond to a financing gap on the project, as presented by the development team and vetted by city staff; and

**WHEREAS**, under the preliminary terms of the Development Agreement, the Agreement will be for a period of fifteen years during which time Developer will receive 100% abatement of the property tax owed resulting from the new construction for three (3) years, followed by payment of 75% of tax increment financing (TIF) incentives generated from the increment on the building valuations for a period of eleven years, followed by payment of 50% of tax increment financing (TIF) incentives generated from the increment on the building valuations for one year.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Des Moines, Iowa, that the preliminary terms of agreement with Exodus Group Investments, LLC, as described above and in the accompanying Council Communication, are hereby received and filed and the City Manager and/or his designee are hereby directed to proceed with negotiation of a development agreement with the Developer or its successor(s) or assignee(s) on final terms of an Urban Renewal Development Agreement consistent with the preliminary terms for future consideration by the City Council.

(Council Comm. No. 22.350 )

MOVED BY *Lalto* TO ADOPT.

SECOND BY *Brason*.



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APPROVED AS TO FORM:

/s/ Gary D. Goudelock Jr.

Gary D. Goudelock Jr.

Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
BOESEN	✓			
COWNIE	✓			
GATTO	✓			
MANDELBAUM			✓	
SHEUMAKER	✓			
VOSS	✓			
WESTERGAARD	✓			
TOTAL	6		1	

MOTION CARRIED

APPROVED

J. M. Franke Cownie Mayor

**CERTIFICATE**

I, LAURA BAUMGARTNER, Acting 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.

Laura Baumgartner

Acting City Clerk