

COUNCIL COMMUNICATION

	Number:	21-575	Meeting:	December 20, 2021
	Agenda Item:	44	Roll Call:	21-1927
	Submitted by:	Erin Olson-Douglas, Development Services Department Director		

AGENDA HEADING:

Resolution approving final terms for an Urban Renewal Development Agreement with Landus Cooperative (Landus) to consolidate and relocate office space and an innovation center at 220 SW 9th Street.

SYNOPSIS:

Landus is an agricultural technology-based and farmer-owned cooperative that is proposing to expand their employment opportunities and consolidate their office location and innovation center into a new headquarters located in Des Moines. The client industry service for Landus is in the Ag/biotech sector focusing on agriculture innovation, data services and technology solutions. The company anticipates creating 25 new jobs with this relocation, which will include a 10-year lease and build out of approximately 25,000 square feet of commercial space at 220 SW 9th Street. The company will commit to generating a minimum of 1,000 hotel room stays within the City of Des Moines per year. The economic impact of the hotel commitment is estimated at over \$1.4 million over the initial 5-year period. Build out of commercial space is anticipated to begin in early 2022 with office occupancy to follow.

The Office of Economic Development (OED) has negotiated final terms of an urban renewal development agreement which provides for a \$250,000 forgivable loan to be paid in annual installments of \$50,000 over a 5-year term. The terms of forgiveness on the loan would be based on their lease commitment and meeting or exceeding 1,000 hotel night stays per year in Des Moines.

FISCAL IMPACT:

Amount \$250,000 forgivable loan, to be paid in five (5) annual installments of \$50,000 over the course of the first five (5) years of their initial 10-year lease and forgiven based upon meeting or exceeding 1,000 hotel room stays per year.

Funding Source: Year one (1) payment to be advanced from the Economic Development Enterprise Fund to be reimbursed with Metro Center Tax Increment. Years two (2) through five (5) to be paid with tax increment from the Metro Center Urban Renewal Area.

ADDITIONAL INFORMATION:

- Landus currently employs 679 full-time permanent employees across the U.S. that serve their more than 7,000 farmer owners. There are 65 existing Iowa jobs that would be associated with the new proposed headquarters with plans to create an additional 25 full-time jobs.
- The company has a partnership with a major tech company and is also considering other locations throughout Iowa and in California for its headquarters and innovation center location.
- Landus would agree to share the use of their large meeting facility with the City of Des Moines during non-peak company use in the spring and fall seasons.
- Landus is also interested in community collaborations that can bridge the urban and rural agricultural communities together, potentially offering educational opportunities and/or collaborations with the Des Moines Farmers Market, Science Center, school tours, and hosting events for community groups to share information about the current and future state of agriculture in Iowa.

PREVIOUS COUNCIL ACTION(S):

Date: November 15, 2021

Roll Call Number: [21-1730](#)

Action: [Preliminary terms](#) of an Urban Renewal Development Agreement with Landus Cooperative to consolidate and relocate office space and an innovation center at 220 SW 9th Street. ([Council Communication No. 21-502](#)). Moved by Gatto to approve the preliminary terms of agreement as set forth in the accompanying Council Communication, and to direct the City Manager or his designee to negotiate final terms of agreement for future consideration by the City Council. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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