


COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	23-407	Meeting:	September 11, 2023
	Agenda Item:	36	Roll Call:	23-1260
	Submitted by:	Cody Christensen, Development Services Director		

AGENDA HEADING:

Resolution approving preliminary terms of an urban renewal development agreement with FJ Management Inc. for the acquisition and retention of 250 jobs and a new 10-year lease for 40,000-square-feet of office space at 1100 Locust Street.

SYNOPSIS:

FJ Management Inc., d/b/a: Mav KG, LLC (Chuck Maggelet, President, 185 S. State Street, Suite 800, Salt Lake City, Utah 84111), is a growing company, with more than 380 Maverik convenience experience locations across 12 western states. The company is proposing to establish a new Des Moines based office to serve as a regional headquarters for their expanding presence to the east.

The company anticipates acquiring and retaining 250 high quality jobs in Des Moines, in addition to a new 10-year lease and occupancy of approximately 40,000-square-feet of office space at 1100 Locust Street in Downtown Des Moines.

The Office of Economic Development has negotiated preliminary terms of an urban renewal development agreement, which provides for a \$250,000 economic development grant to be paid in annual installments of \$25,000 over a 10-year term. The terms of the grant will be based on FJ Management Inc.'s commitment to maintaining at least 250 jobs at or above an average salary of \$98,000, and primarily officing from their Downtown Des Moines office location, averaging three (3) or more days per work week.

FISCAL IMPACT:

Amount: \$250,000 economic development grant, to be paid in 10 annual installments of \$25,000 over the course of the 10-year lease.

Funding Source: Metro Center Urban Renewal Area

ADDITIONAL INFORMATION:

- FJ Management Inc. plans to acquire and retain at least 250 employees in Downtown Des Moines, with an average salary of \$98,000. The development agreement will include annual reporting requirements and minimum thresholds for the total number of Downtown Des Moines employees (250+) and total average salaries (\$98,000+). Grant compliance will be reviewed annually over the 10-year term of the agreement.

- The proposed investment for the office build-out is approximately \$1 million.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- Final Terms of an Urban Renewal Development Agreement.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the first floor of City Hall, 400 Robert D Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.