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Date February 25, 2013

**RESOLUTION SETTING HEARING ON PROPOSED AMENDED AND RESTATED
URBAN RENEWAL DEVELOPMENT AGREEMENT WITH KEMIN INDUSTRIES,
INC., AND ON THE VACATION AND SALE OF CITY-OWNED REAL ESTATE**

WHEREAS, pursuant to Chapters 403 and 15A of the Code of Iowa (the "Urban Renewal Law"), the City of Des Moines has undertaken a program to stimulate economic revitalization in an area of the City designated as the SE AgriBusiness Urban Renewal Area that will make use of an underutilized area of the City to accommodate the growth and expansion of agriculture related businesses; generate an increased tax base; retain and create livable wage jobs in a healthy, high quality environment; and, create and sustain an environment which will protect the health, safety, and welfare of the City; and, to this end the City is engaged in carrying out an economic development project known as the SE AgriBusiness Urban Renewal Project; and,

WHEREAS, Kemin Industries, Inc., is a multistate and international agribusiness company having its home office, research and manufacturing facilities, within the City of Des Moines and the SE AgriBusiness Urban Renewal Area; and,

WHEREAS, on June 13, 2011, by Roll Call No. 11-1048, in furtherance of the objectives of the Urban Renewal Law and the approved Urban Renewal Plan for the SE AgriBusiness Urban Renewal Area, the City Council approved an Urban Renewal Development Agreement (the "Original Agreement") with Kemin Industries, Inc., and its subsidiary Kemin Holdings, L.C. (hereinafter collectively "Kemin"), whereby the City agreed to provide certain economic incentives and to sell certain City-owned land to Kemin in exchange for an undertaking by Kemin to renovate and expand its manufacturing plant facilities, its research and development facilities, and its world-wide corporate headquarters in the SE AgriBusiness Urban Renewal Area at an estimated total project cost of \$21,830,000, to retain 332 full-time equivalent employees, and to create jobs for at least 98 new full-time equivalent employees; and,

WHEREAS, Kemin now seeks to acquire additional City-owned land to permit a larger expansion of its facilities and corporate headquarters; and,

WHEREAS, the City Manager has negotiated a proposed Amended and Restated Urban Renewal Development Agreement for consideration by the City Council whereby the City would undertake the following obligations:

- To complete the relocation of the remaining City facilities from, and the sale and conveyance of, the following parcels more specifically described in Exhibit "A", to Kemin for an aggregate purchase price of \$800,000 as provided in the Original Agreement:

Date February 25, 2013

<u>Parcel Name</u>	<u>Installment Due at Closing</u>	<u>Anticipated Closing Date</u>
East Parcel	\$480,000 paid	Closed on July 12, 2011
Northwest Parcel	\$200,000	May 31, 2013
Southwest Parcel	\$120,000	October 1, 2014

- To complete the vacation and sale of the segments of Scott Avenue and SE 20th Street (south of the S.E. Connector), more specifically described in Exhibit "A", to Kemin for an aggregate purchase price of \$95,400, with the purchase price to be paid with the proceeds of a Forgivable Economic Development Loan of the same amount by the City to Kemin, as provided in the Original Agreement.

<u>Parcel Name</u>	<u>Installment Due at Closing</u>	<u>Anticipated Closing Date</u>
Vacated Scott Ave	\$66,000 paid	Closed on July 12, 2011
SE 20th Street (south)	\$29,400	October 1, 2014

- To sell the additional parcels of City-owned land identified below and more specifically described in Exhibit "A", to Kemin for the purchase prices identified below, with closing to occur within 30 days after completion and acceptance by the City of the adjoining portion of the S.E. Connector.

<u>Parcel Name</u>	<u>Purchase Price</u>
Parcel "E"	\$64,900
North Parcel	\$257,282
SE 20th Street (north)	\$26,136

- To grant Kemin a license for the construction and use of a private driveway under the S.E. Connector Viaduct to be constructed east of SE 20th Street, for a purchase price of \$10, with closing to occur within 30 days after completion and acceptance by the City of the adjoining portion of the S.E. Connector.
- To provide an Economic Development Grant to Kemin in the amount of \$500,000 to be paid in annual installments from project generated tax increment as provided in the Original Agreement, but with the first installment to be delayed to December 15, 2024, which is 10 years later than in the Original Agreement.

and Kemin would undertake the following obligations:

- to purchase the City properties as described above; and,
- to complete the expansion of its corporate campus in substantial conformance with the Amended Master Plan attached hereto as Exhibit "B", to retain at least 332 full-time equivalent jobs, and create an additional 98 full-time equivalent jobs,

all as more specifically described in the accompanying Council Communication; and,

WHEREAS, the proposed Amended and Restated Urban Renewal Development Agreement is on file and available for public inspection in the office of the City Clerk.

19

Date February 25, 2013

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

1. The City Council hereby declares its intention to consider a proposal to vacate the portion of SE 20th Street (north) described in Exhibit "A" at a public hearing to be held in the Council Chambers at 5:00 p.m., on March 11, 2013.
2. The City of Des Moines hereby further declares its intent to consider approving the proposed Amended and Restated Urban Renewal Development Agreement with Kemin Industries, Inc., and Kemin Holdings, L.C., which agreement provides for the sale and conveyance to Kemin of the parcels of City-owned real estate as described above, subject to the street rights-of-way being first vacated. Such agreement, sale and conveyance shall also be considered at the public hearing scheduled above.
3. The City Clerk is hereby authorized and directed to publish notice of said proposals in the form hereto attached all in accordance with § 362.3 of the Iowa Code.

MOVED by _____ to adopt.

FORM APPROVED:

Roger K. Brown

Roger K. Brown
Assistant City Attorney

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Exhibits:

- "A" - Legal Descriptions
- "B" - Amended Master Plan
- "C" - Notice

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GRIESS				
HENSLEY				
MAHAFFEY				
MEYER				
MOORE				
TOTAL				
MOTION CARRIED			APPROVED	

CERTIFICATE

I, DIANE RAUH, 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.

Mayor

City Clerk