



Date April 5, 2021

RESOLUTION APPROVING PRELIMINARY TERMS OF AN URBAN RENEWAL DEVELOPMENT AGREEMENT WITH ILEX GROUP, INC. (BEN SCHULTES) FOR THE CONSTRUCTION OF WAREHOUSE BUILDINGS LOCATED IN THE VICINITY OF 4600 NE 14TH STREET

WHEREAS, the City and Northridge Limited Partnership, an Iowa limited partnership and predecessor in ownership to current property owner ILEX Group, Inc. (“Developer”), represented by Ben Schultes, were parties to a Development Agreement approved by the Des Moines City Council and recorded on January 23, 1987, in Book 5677, Page 157 in the office of the Polk County Recorder, whereby Northridge Limited Partnership agreed to undertake stormwater, sanitary sewer, and right-of-way improvements in connection with a proposed development of a regional shopping center on real property on the west side of Northeast 14th Street north of Broadway Avenue and south of Interstate 35/80 in Polk County, Iowa, in the vicinity of 4600 NE 14th Street (“Property”), as part of an annexation of the Property into the City of Des Moines, which Development Agreement was assigned to Developer; and

WHEREAS, the proposed Northridge shopping center development did not occur and City Engineering staff determined that the Developer’s original obligations relating to stormwater, sanitary sewer and right-of-way/traffic improvements as set forth in the prior Development Agreement were no longer necessary; and

WHEREAS, on July 13, 2020, by Roll Call No. 20-1129, the City Council approved a termination agreement with Developer to terminate the prior Development Agreement and allow Developer to pursue a proposed warehouse development on the Property; and

WHEREAS, Developer is now proposing to construct two speculative warehouse buildings, identified as Buildings B and C on the Developer’s Planned Unit Development (PUD) Conceptual Plan, on the Property within the Northeast Gateway 1 Urban Renewal Area, which buildings are expected to contain 164,026 and 186,350 square feet, respectively, of warehouse space (collectively “Improvements”), at an estimated total project cost of \$29,000,000.00, subject to receipt of the financial assistance identified below; and

WHEREAS, the Improvements constitute a portion of the overall potential, proposed development of five speculative warehouse buildings on the Property; and

WHEREAS, construction of the Improvements is anticipated to commence in late 2021/early 2022 with completion in fall 2022; 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 provide that in consideration of the Developer’s commencement and completion of the Improvements, the City will provide an economic development



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grant in up to ten semi-annual installments of one-hundred percent (100%) of the tax increment generated by the Improvements, in an amount not to exceed \$3,100,000.00, following anticipated one-hundred percent (100%) tax abatement for a three-year period.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that the preliminary terms of agreement with ILEX Group, Inc., as described above and in the accompanying Council Communication, are hereby received and filed, and the City Manager is hereby directed to proceed with negotiation of a development agreement with the Developer on final terms of an Urban Renewal Development Agreement consistent with the preliminary terms for consideration for approval by the City Council.

(Council Comm. No. 21-166)

MOVED BY _____ TO ADOPT.

APPROVED AS TO FORM:

/s/ Glenna K. Frank

Glenna K. Frank, Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
BOESEN				
COWNIE				
GATTO				
GRAY				
MANDELBAUM				
VOSS				
WESTERGAARD				
TOTAL				
MOTION CARRIED	APPROVED			

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.

Mayor

City Clerk