

Date June 28, 2021

RESOLUTION APPROVING SECOND AMENDMENT TO URBAN RENEWAL DEVELOPMENT AGREEMENT WITH DES MOINES COLD STORAGE CO., INC. AND CROSSROADS COLD STORAGE, LLC (C.J. MORTON, OFFICER) REGARDING PHASE II PROPERTY AT SE 43RD AND VANDALIA ROAD

WHEREAS, on June 27, 2016, by Roll Call No. 16-1087, the City Council approved an Urban Renewal Development Agreement for the Sale and Development of Real Estate and Conceptual Development Plan (“Agreement”) with Crossroads Cold Storage, LLC (“Developer”), represented by C.J. Morton, Officer, whereby Developer agreed to purchase and develop City-owned real property located at SE 43rd and Vandalia Road (“Property”) in the City’s SE Agrimergent Business Park for relocation and expansion of the home office of the Developer’s industrial warehouse, in exchange for economic development assistance in the form of tax increment financing, an in-kind economic development grant of fill material, and other terms as described in the Agreement; and

WHEREAS, the Developer has acquired the Phase I Property from the City and has successfully completed construction of Phase I of the Improvements consisting of a 112,000 square foot office/warehouse, and on March 23, 2020, by Roll Call No. 20-0530, the City Council approved a First Amendment to the Agreement for provision of an Economic Development Grant, in the same form as and concurrently with the Grant being provided for the Phase I Improvements, for Developer’s construction of an addition to the Phase I building (“Phase I-A Improvements”) for use by Developer as expansion of its corporate headquarters building and part of its service delivery operations for international exports, with an anticipated minimum project cost of \$12,000,000.00, and for any further additions to the Phase I building (“Phase I-B Improvements”) constructed by Developer for further expansion of its corporate headquarters for the same purpose and use as the Phase I and Phase I-A Improvements; and

WHEREAS, in addition to the Phase I Property and Improvements thereon, the Agreement, as amended, allows Developer to purchase the Phase II Property, consisting of approximately 18.91 acres immediately south of and adjoining the Phase I Property, for construction by Developer of additional building(s) associated with Developer’s corporate headquarters and in accordance with an Option to Purchase previously approved by City Council and granted by City to Developer; and

WHEREAS, Developer wishes to exercise its Option to Purchase and close on purchase of the Phase II Property from the City, but has requested to indefinitely delay development of said Property, and has agreed to replace liquidated damages set forth in the Agreement for failure to develop said Property with an increased purchase price for said Property, in exchange for Developer’s ability to acquire the Property from the City without a current development proposal or development requirements; and

WHEREAS, City Economic Development staff and the Developer have negotiated terms of a Second Amendment to the Agreement, on file in the office of the City Clerk, whereby (1) Developer’s Option to Purchase is extended for an additional six months (from July 2021 to January 2022), (2) the purchase price of the Phase II Property is increased from \$283,650.00 U.S. Dollars (approximately \$15,000.00 per acre) to \$416,020.00 U.S. Dollars (approximately \$22,000.00 per acre) to replace Developer’s liquidated damages obligation, (3) the Phase II Property and related development are removed from Developer’s obligation for urban renewal redevelopment, and (4) the City’s transfer of the Phase II Property to the Developer will restrict speculative sale or lease of said Property, and will cause Developer to reimburse City for any excess funds received by Developer in the event of such speculative sale or lease.

★ **Roll Call Number**

Agenda Item Number

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Date June 28, 2021

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

1. The Second Amendment to the Urban Renewal Agreement by and between the City and Des Moines Cold Storage Co., Inc., and Crossroads Cold Storage, LLC, is hereby approved, and the Mayor is authorized and directed to execute said document on behalf of the City of Des Moines and the City Clerk to attest to his signature.
2. The City Manager or his designee(s) are authorized and directed to administer the Agreement as amended.
3. The City Manager is authorized and directed to execute any additional minor amendments to the Agreement and to return any substantive amendments to the Agreement to the City Council for consideration and approval.
4. The Office of Economic Development is directed to submit resolutions to Council for the sale of the Phase II Property, following Developer's exercise of the Option to Purchase in accordance with the Second Amendment.

(Council Comm. No. 21-295)

MOVED BY _____ TO ADOPT.

APPROVED AS TO FORM:

/s/ Glenna K. Frank
Glenna K. Frank, Assistant City Attorney

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

MOTION CARRIED APPROVED

Mayor

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.

City Clerk