

Date February 19, 2024

RESOLUTION APPROVING PRELIMINARY TERMS OF AN URBAN RENEWAL DEVELOPMENT AGREEMENT WITH KEMIN INDUSTRIES, INC. FOR THE CONSTRUCTION OF AN APPROXIMATELY 320,000 SQUARE FOOT WAREHOUSE AT 606 SE 23RD STREET, ADJACENT TO THEIR CURRENT HEADQUARTERS

WHEREAS, Kemin Industries, Inc. (“Developer”), represented by Elizabeth Jacobs, proposes to undertake construction of an approximately 320,000 square foot warehouse (collectively “Improvements”) located at 606 SE 23rd Street, adjoining their current headquarters, in the Southeast Agribusiness Urban Renewal Area; and

WHEREAS, said warehouse will consolidate leased space from eight (8) different locations and will increase warehouse capacity to service both current production and future expansion; and

WHEREAS, construction of the Improvements is anticipated to commence in the spring of 2024, and be completed by December 2024 at an estimated total project cost of \$28,000,000.00, subject to receipt of the financial assistance identified below; and

WHEREAS, the Developer seeks the following in order to complete the project:

- 1) The ability to apply for the Industrial Tax Abatement set forth in Iowa Code Section 427B for a term of five years (with an abatement schedule of 75%, 60%, 45%, 30% and 15%), which is a plan that is less favorable than Schedule 10-CD otherwise available.
- 2) Following the expiration of any tax abatement, 80% of the project generated tax increment (TIF) from the taxable building valuations (exclusive of land) for three (3) years, capped at a maximum of \$2 million Net Present Value (NPV); and

WHEREAS, the Developer has provided the Office of Economic Development with a financial analysis of the project, indicating a gap between actual project costs and the project appraisal and seeks this financial assistance package to be provided from project generated tax increment as more specifically described in the accompanying Council Communication.

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

1. The City Council hereby approves the preliminary terms of agreement as set forth in the accompanying Council Communication; and,
2. Directs the City Manager or his designee to negotiate final terms of agreement for future consideration by the City Council.



Roll Call Number

Agenda Item Number

32

Date February 19, 2024

(Council Communication No. 24-063)

MOVED BY _____ TO ADOPT.

SECOND BY _____.

APPROVED AS TO FORM:

/s/ Lisa A. Wieland

Lisa A. Wieland
Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
BOESEN				
VOSS				
COLEMAN				
WESTERGAARD				
MANDELBAUM				
GATTO				
TOTAL				
MOTION CARRIED			APPROVED	
_____ Mayor				

CERTIFICATE

I, LAURA BAUMGARTNER, 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