



Roll Call Number

13-1203

Agenda Item Number

24

Date July 29, 2013

WHEREAS, by Roll Call No. 10-2023 of December 6, 2010, the City Council of the City of Des Moines approved preliminary terms of agreement with Employers Mutual Casualty Company ("EMCC") for economic development assistance related to the purchase of the Hub Tower at 699 Walnut Street ("Property") and relocation of EMC National Life Company ("EMCNLC") to Des Moines; and

WHEREAS, the EMCC has purchased the Property which Property had been subject to foreclosure proceedings, had suffered from disinvestment and a steady decline in assessed values, was largely vacant, and in need of substantial renovation to make the leased office space marketable; and

WHEREAS, EMCC has undertaken extensive renovations and improvements to office space within the Property to enable it to become fully occupied with business tenants; and

WHEREAS, EMCNLC, an affiliate of EMCC, has located its offices and employees on two of the renovated floors in the Property; and

WHEREAS, the location of EMCNLC is in close proximity to EMCC's home office facilities and will solidify and expand the employment base in the downtown; and

WHEREAS, renovation and rehabilitation of the Property and the location of EMCNLC's offices and employees in the Property further the objectives of the Metro Center Urban Renewal Plan to preserve and create an environment which will protect the health, safety and general welfare of City residents and maintain and expand taxable values within the Metro Center Urban Renewal Project Area, to encourage the elimination of substandard buildings, blighting influences, and environmental deficiencies which detract from the functional unity, aesthetic appearance, and economic welfare of downtown Des Moines and establish conditions which will attract new investments and prevent the recurrence of blight and blighting conditions, to encourage intensive and coordinated mixed-use development of commercial improvements that will help assure the most efficient and effective use of available land and related public and private investments, to provide for the orderly expansion of downtown Des Moines as a retail, financial and business center of the metropolitan area, to support the maintenance and rehabilitation of sound existing structures and the preservation of properties of architectural merit, and to encourage the coordinated development of parcels and structures to achieve efficient building design; and

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WHEREAS, a proposed development agreement between the City, EMCC and EMCNLC, on file in the Office of the City Clerk, providing for a \$50,000 grant to EMCC for renovation and rehabilitation of the Property and a \$201,450 forgivable loan to EMCNLC for the location of 79 qualifying employees in the property with the ability to increase the forgivable loan in an amount not to exceed \$76,560 for location of additional qualifying employees; and

WHEREAS, the Urban Design Review Board, at its meeting of July 16, 2013, has recommended approval of the proposed economic development assistance; and

WHEREAS, the economic development incentives for renovation and rehabilitation of the Property and the creation and retention of employment in the downtown shall be provided by the City pursuant to Chapter 403 and Chapter 15A of the Code of Iowa and the obligations of EMCC and EMCNLC under the development agreement to renovate and rehabilitate the Property and locate employees in the Property will generate the following public gains and benefits: (i) it will initiate the renovation and rehabilitation of a blighted building in accordance with the Metro Center Urban Renewal Plan; (ii) it will help maintain and expand taxable values in the Metro Center Urban Renewal Project Area; (iii) it will encourage further private investment and will attract and retain businesses in the Metro Center Urban Renewal Project Area to reverse the pattern of disinvestment and provide for economic stabilization within the Metro Center Urban Renewal Project Area; and, (iv) it will further the City's efforts to create and retain job opportunities within the Metro Center Urban Renewal Project Area which might otherwise be lost; and

WHEREAS, the public gains and benefits from the renovation and rehabilitation of the Property and resulting job creation and retention opportunities would not occur without the economic incentives provided by the development agreement and the public gains and benefits are warranted in comparison to the amount of the economic incentives; and

WHEREAS, City believes that the renovation and rehabilitation of the Property pursuant to the development agreement, the employment created and maintained in the downtown and the fulfillment generally of the Development Agreement, are in the vital and best interests of City and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of the applicable state and local laws and requirements under which the Metro Center Urban Renewal Project has been undertaken, and warrant the provision of the economic assistance set forth in the development agreement.

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NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa that the development agreement between the City of Des Moines, Employers Mutual Casualty Company and EMC National Life Company, which is in on file in the Office of the City Clerk, is hereby approved and the Mayor is hereby authorized and directed to sign the development agreement on behalf of the City and the City Clerk is hereby authorized and directed to attest to the Mayor's signature and affix the seal of the City.

BE IT FURTHER RESOLVED that the Finance Department is hereby authorized and directed to advance the proceeds of the economic development grant to Employers Mutual Casualty Company and the economic development forgivable loan to EMC National Life Company in accordance with the terms of Sections 103 and 104 of the development agreement.

BE IT FURTHER RESOLVED that the City Manager or his designees are hereby authorized and directed to administer the development agreement on behalf of the City, including the monitoring of employee reporting requirements, monitoring compliance with the terms of the economic development forgivable loan and determining the forgiveness and any partial or full repayment of the economic development forgivable loan in accordance with the terms and conditions of the development agreement.

Moved by Hensley to adopt.

APPROVED AS TO FORM:

Lawrence R. McDowell
Deputy City Attorney

(Council Communication No. 13-388)

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Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, COLEMAN, GRIESS, HENSLEY, MAHAFFEY, MEYER, MOORE, and TOTAL (7 yeas).

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.

MOTION CARRIED APPROVED
T. M. Franklin Council Mayor

Diane Rauh City Clerk