

★ Roll Call Number

20-0530

Agenda Item Number

30

Date March 23, 2020

RESOLUTION APPROVING FIRST AMENDMENT TO URBAN RENEWAL DEVELOPMENT AGREEMENT WITH DES MOINES COLD STORAGE CO., INC. AND CROSSROADS COLD STORAGE, LLC (C.J. MORTON), AND AMENDED CONCEPTUAL DEVELOPMENT PLAN, FOR A 60,000 SQUARE FOOT ADDITION TO THE EXISTING WAREHOUSE 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 successfully completed construction of Phase I of the Improvements consisting of a 112,000 square foot office/warehouse, and now intends to construct 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, which addition shall contain a minimum of 60,000 square feet of freezer space and dock doors, constructed with the same color, design, materials, and landscaping as the Phase I Improvements as shown in the proposed amendment to the approved Conceptual Development Plan, with an anticipated construction schedule of commencement by July 1, 2020 and completion by June 30, 2021; and

WHEREAS, following completion of the Phase I-A Improvements, the Developer may elect to construct further additions to the Phase I building (“Phase I-B Improvements”) for further expansion of its corporate headquarters for the same purpose and use as the Phase I and Phase I-A Improvements; and

WHEREAS, City Economic Development staff and the Developer have negotiated terms of a First Amendment to the Agreement, on file in the office of the City Clerk, whereby, in exchange for construction of the Phase I-A Improvements under the currently proposed schedule, and of the Phase I-B Improvements in the event the Developer elects to construct said Improvements, the City will provide an Economic Development Grant, in the same form as and concurrently with that being provided for the Phase I Improvements, in an amount equal to seventy-five percent (75%) of the tax increment (TIF) generated by the Phase I-A and Phase I-B Improvements as applicable and terminating upon expiration of the Agreement on May 1, 2034 with no further payments to Developer thereafter; and

WHEREAS, the estimated value of the City’s financial incentive for the Phase I-A Improvements is \$1,687,470.00 (cash; \$1,272,331.00 net present value), equal to approximately 10.6 percent of the estimated project cost; and

WHEREAS, at its meeting on February 18, 2020, the members of the Urban Design Review Board voted 6-0 in support of a motion to recommend approval of the level of financial assistance as proposed and 6-0 in support of a motion to recommend approval of the design of the proposed Phase I-A Improvements, as shown in the amended Conceptual Development Plan on file in the office of the City Clerk and incorporated by reference into the First Amendment.



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

1. The First 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 documents on behalf of the City of Des Moines and the City Clerk to attest to his signature.
2. The amendment to the Conceptual Development Plan for the Project showing the proposed Phase I-A Improvements, as attached to and incorporated by reference in the First Amendment, is hereby approved.
3. The City Manager or his designee(s) are authorized and directed to administer the Agreement and Conceptual Development Plan as amended.
4. The Economic Development Director or her designee are directed to submit a copy of the fully executed Development Agreement to the Finance Department to enable the Finance Director to make any appropriate disclosure filings in accordance with the City's adopted revised Disclosure Policy.
5. 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.

(Council Comm. No. 20-139)

MOVED BY Gatto TO ADOPT.

APPROVED AS TO FORM:

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

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, BOESEN, GATTO, GRAY, MANDELBAUM, VOSS, WESTERGAARD, and TOTAL (YEAS: 7).

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.

MOTION CARRIED APPROVED
T.M. Frankiewicz Mayor

P. Kay Cmelik City Clerk