CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: Approval to Initiate a Development Agreement between Clinic Investments, Inc. (Wolfe Eye Clinic) and the City of West Des Moines **DATE: February 20, 2018**

RESOLUTION: Approval to proceed with the preparation of a Development Agreement

FINANCIAL IMPACT: The applicant has agreed to a figure of $4 million as the value of the Minimum Assessment agreement. The company will need to sign a development agreement with the City that would include a minimum assessment agreement to guarantee the value, to guarantee the valuation for ten (10) years, and to guarantee the retention/creation of twenty-five (25) FTEs.

BACKGROUND: On September 6, 2016, the City Council adopted a resolution creating the Property Tax Rebate Pilot Program to stimulate economic development activity in certain parts of the City. Basically, the program would provide a five year, 100% rebate of the incremental increase in property taxes on a property if the owner of the property would expend a minimum of $500,000 on building upgrades/construction. The program also required the creation/retention of a minimum of five jobs.

On February 8, 2018, Clinic Investments, Inc. filed an application with the City to be considered for the program. Review of the application indicates that they are proposing the construction of a 24,000 square-foot surgery center on the eastern portion of their property located at 6200 Westown Parkway. Clinic Investments, Inc. has committed to the retention of twenty-five (25) full-time positions.

Staff has reviewed their proposal and has found it complete.

The project site is within the Westown V Urban Renewal Area.

This proposal was reviewed by the Finance & Administration Council Subcommittee and funding from the Property Tax Rebate Program has been recommended for approval.

OUTSTANDING ISSUES: There are no outstanding issues.

RECOMMENDATION: The Finance and Administration City Council Subcommittee is recommending adoption of a resolution approving initiation of the Development Agreement.

Lead Staff Member: Clyde Evans, AICP, Community & Economic Development Director

STAFF REVIEWS

Department Director	Clyde Evans, Community and Economic Development Director CEE
Appropriations/Finance	Tim Stiles, Finance Director
Legal	
Agenda Acceptance	

PUBLICATION(S) (if applicable)

Published In	N/A	
Date(s) Published	N/A	
Letter sent to surrounding property owners		N/A

SUBCOMMITTEE REVIEW (if applicable)

Committee	Finance & Administration		
Date Reviewed	February 14, 2018		
Recommendation	Yes ☒	No ☐	Split ☐

ATTACHMENTS:

Exhibit I - Application for assistance under the Property Tax Rebate Program
Exhibit II - Resolution

Date of Application: 2/5/18

Address of Development Property: 6200 Westown Parkway, 50266

County Assessor District/Parcel Number of Development Property: 16012000013

Located in an existing Urban Renewal Area? If yes, please identify the Area:
Westown V.

Owner of Development Property (please provide the following information):

Full Legal Name: Clinic Investments, Inc.

Address (if different from above): 309 East Church Street, Marshalltown, IA 50158

Nature of Entity (individual, corporation, LLC, etc.): Corporation

If legal entity, identify state of incorp./organization: Iowa

Name and title of signatory to potential Development Agreement on behalf of Owner:

Kevin Swartz, Chief Executive Officer

Phone Number: 641-754-6262, ext. 1000

E-Mail Address: kswartz@wolfeclinic.com

Existing property use (commercial, industrial, retail, office, vacant, other – please specify):

Commercial / Medical / Surgical

Proposed property use (commercial, industrial, retail, office, other- please specify):
Commercial / Medical / Surgical

Nature of Improvements: ☑ New Construction ☐ Addition ☐ Rehabilitation

Describe proposed Project:
24,000 sq ft ambulatory surgical center with 6 operating rooms

Estimated Project Start Date: 5/2018 Estimated Completion Date:
7/2019

Please complete the table below with projected expenditures related to this project.

Budget Item	Amount
Building Construction	10,000,000
Building Addition	
Building Remodeling	
Machinery & Equipment	1,000,000
Tenant Improvements (if applicable)	
Technology Investments	
Furniture & Fixtures	250,000
Other Major Investments (specify below)	
TOTAL	11,250,000

Define and indicate the approximate value of the Project upon completion (only the building and improvement costs that will affect taxable valuation, NOT land, equipment or machinery): 4,000,000

How many jobs will this project create or retain?

Create: Full-Time_____ Part-Time _____
Retain: Full-Time 25 Part-Time _____

Will you be applying for a High Quality Jobs or other Agreement with the State? No If so, has an application been filed? _____ If yes, please provide a copy.

Does this Project involve the relocation of a business enterprise (or substantial portion thereof) from another Iowa county or city? No If yes, please explain:

Is the Owner of the Development Property also the Developer for this Project? Yes If not, in response to each item below, please identify the full legal name of the entity, the nature of the entity, its state of incorporation (if applicable) and the name and title of that entity's signatory to any Development Agreement):

Which entity will be responsible for constructing the building/improvements on the Development Property?
Clinic Investments, Inc.

Which entity will be entitled to receive the Tax Increment Rebates?
Clinic Investments, Inc.

Which entity will occupy and operate the business in the building/improvements?
Wolfe Surgery Center, LLC

Is the owner leasing the building to another entity that is operating the business? Yes If, yes, please explain:
Clinic Investments, Inc. is the service organization, and holds the real estate,
for Wolfe Clinic, P.C. and Wolfe Surgery Center, LLC.

Is the Development Property currently subject to any property tax exemption or any other property tax rebate? No If yes, explain: _____

Have you applied for any other property tax exemption or rebate for the Development Property? No. If yes, explain: _____

Does any public official or employee of the City who exercises or has exercised any responsibilities or discretion with respect to the Project, or who is in a position to participate in a decision-making process or gain insider information with regard to the Project, have interest, direct or indirect, in the Project or any contract or subcontract (actual or proposed) in connection with the Project? No If yes, explain:

Prepared by: C. Evans, City of West Des Moines Community and Economic Dev. PO Box 65320, WDM, IA 50265-0320 515-273-0770
When Recorded Return to: City Clerk, City of West Des Moines, 4200 Mills Civic Parkway, PO Box 65320, West Des Moines, IA 50265-0320

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST DES MOINES, IOWA, AUTHORIZING STAFF TO INITATE THE PREPARATION OF A DEVELOPMENT AGREEMENT FOR ECONOMIC DEVELOPMENT ASSISTANCE CONTRACT BETWEEN CLINIC INVESTMENTS, INC., AND THE CITY OF WEST DES MOINES FOR ASSISTANCE UNDER THE PROPERTY TAX REBATE PROGRAM.

WHEREAS, Clinic Investments, Inc., (Wolfe Eye Clinic), proposes to undertake the construction of a 24,000 square foot surgery center to be located at 6200 Westown Parkway;

WHEREAS, Clinic Investments, Inc. filed a formal application on February 8, 2018, with the City for financial assistance under the City's Property Tax Rebate Program;

WHEREAS, the application for assistance from Clinic Investments, Inc. has been found complete;

WHEREAS, Clinic Investments, Inc. has committed to retaining 25 jobs;

WHEREAS, the Finance and Administration City Council Subcommittee at their meeting on February 14, 2018, recommended that the City Council approve Clinic Investments Inc's request;

WHEREAS, the City is prepared to offer property tax rebates under the Property Tax Rebate Program;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WEST DES MOINES, IOWA HAS directed staff to initiate the preparation of a Development Agreement on behalf of the City with Clinic Investments, Inc.

PASSED AND ADOPTED this 20th day of February, 2018

_____
Steven K. Gaer, Mayor

Attest:

_____

Ryan T. Jacobson, City Clerk