

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

00-248

SYNOPSIS -

AGENDA:

JUNE 5, 2000

SUBJECT:

ALLIED
INSURANCE-A
MEMBER OF
NATIONWIDE
INSURANCE-
ENTERPRISE ZONE
APPLICATION

On the June 5, 2000 Council agenda is a roll call recommending approval of an application by Allied Insurance, a member of Nationwide Insurance, for enterprise zone benefits and authorizing enterprise zone property tax exemption for the Allied Gateway Campus project to the Des Moines Enterprise Zone Commission. The Des Moines Enterprise Commission has adopted an application process that requests the Council to review and forward its recommendation to the Commission.

By Roll Call No. 00-796, dated March 20, 2000, Council approved a Contract for Sale of Land for Private Redevelopment Metro Center Urban Renewal Project ("Development Agreement") to assist Allied Insurance to build a new corporate office campus in the Des Moines Gateway Enterprise Zone. As part of that Development Agreement, it was anticipated that the company would make an application for enterprise zone benefits for state approval before July 1, 2000.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

FISCAL IMPACT -

The majority of enterprise zone benefits is State of Iowa corporate income tax credits and will have no effect on the General Fund. The enterprise zone tax exemption schedule provides for one dollar of tax exemption on the project's new value-added improvements per year for ten years, which will have no fiscal impact on the General Fund.

SUBMITTED BY:

RICHARD A. CLARK
DEPUTY CITY
MANAGER

RECOMMENDATION -

Approve the roll call making the recommendation to approve the application from Allied Insurance for enterprise benefits to the Des Moines Enterprise Commission.

BACKGROUND -

Allied Insurance has entered into an agreement with the City to invest at least \$137 million to construct a new 500,000 square foot home office and 2,500 space-parking garage in the City's western Gateway area. The project-to be referred to as the Allied Gateway Campus-is proposed to be located on a site bounded by Locust, Mulberry, 10th, and 13th Streets except for the half block occupied by the Hotel Fort Des Moines and the adjoining properties. Allied Insurance will employ at the site 1,250 persons upon occupancy and will grow employment by 400 new positions within a year of occupancy. The Allied Gateway Campus will provide the company space to continue its growth and anticipates the construction of substantial additional office space and structured parking to serve its growth needs. Construction is scheduled to begin mid-year 2001 and be completed in 2003.