

**CITY COUNCIL
COMMUNICATION:**

03-004

AGENDA:

JANUARY 6, 2003

SUBJECT:

CERTIFICATE OF
COMPLETION
WELLS FARGO
FINANCIAL, INC.
CORPORATE
OFFICE
EXPANSION

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

RICHARD CLARK
DEPUTY CITY
MANAGER

ITEM _____

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

SYNOPSIS —

On the January 6, 2003 Council agenda, is a roll call certifying the substantial completion of the Wells Fargo Financial, Inc. Corporate Office Expansion Project, approving a Minimum Assessment Agreement for the property, and approving a Parking Agreement for the public use of the garage. Wells Fargo Financial has requested this action under the terms of the Contract for Sale of Land For Private Redevelopment, as amended.

FISCAL IMPACT —

The Minimum Assessment Agreement will take effect January 1, 2003 for Parcel A (new building and land) of at least \$37,245,000 million and on Parcel B (parking garage and land) of at least \$8,050,000 million. These valuations reflect an increase in taxable value of \$43,084,500 over pre-project assessments and represent an annual incremental increase in tax revenues of approximately \$1.9 million.

The Economic Development Grant will be paid to Wells Fargo Financial in 40 semi-annual installments of \$375,000 beginning November 1, 2004. The Supplemental Economic Development Grant is to be paid in ten annual installments equal to the total amount of ad-valorem taxes levied upon the taxable value of Parcel B (parking garage exclusive of land) due and payable in that fiscal year beginning November 1, 2004. All payments under the Economic Development Grants are subject to receiving annual certification by Wells Fargo Financial that they are in continued compliance with the covenants specified in the development agreement, including but not limited to, that the project site is the principal place of employment for not less than 1,110 full-time equivalent employees of Wells Fargo Financial and related businesses.

The source of funding for both economic development grants is tax increment. Council will be asked each year to approve the necessary tax increment withdrawal. Please note that our projection of tax increment revenues and expenses includes the withdrawal for Wells Fargo Financial.

RECOMMENDATION —

Approval.

BACKGROUND —

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The Certificate of Completion evidences the compliance by Wells Fargo Financial of the construction obligations under the development agreement. This determination is independent of any required determination by the City regarding the issuance of an Occupancy Permit pursuant to the City's Building Code. Approval of the Certificate of Completion establishes the date for (1) taxation under the Minimum Assessment Agreement, and (2) sets the beginning date for the payment schedule of the Economic Development Grant and the Supplemental Economic Development Grant under the development agreement.

The Minimum Assessment Agreement and Parking Agreement are in the form established by the development agreement. The Parking Agreement provides for the free public use of the garage during the evenings after 6 p.m. and on the weekends.

