

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date</b>	May 10, 2010
	<b>Agenda Item No. 60</b> <b>Roll Call No. 10-759</b> <b>Communication No. <u>10-239</u></b> <b>Submitted by: Matt Anderson, Economic Development Administrator</b>	

**AGENDA HEADING:**

Approving Development Agreement with Aviva Investors North America, Inc. for downtown employment and office expansion.

**SYNOPSIS:**

On March 8, 2010, by Roll Call 10-393, the City Council approved preliminary terms of agreement with Aviva Investors North America, Inc. (Richard Field, Interim Chief Executive Officer, 699 Walnut, Des Moines, IA 50309) for a financial assistance package to assist their office expansion in downtown Des Moines. Aviva is currently located in approximately 35,000 square feet in the Hub Tower. In April 2010, Aviva finalized a lease to nearly double its space and relocate to the Davis Brown Tower, 215 10<sup>th</sup> Street.

Aviva Investors currently employs approximately 190 people in downtown Des Moines. They anticipate aggressive growth which will result in adding approximately 100 new employees during the next 7 years. Average base wage for all positions is approximately \$90,000.

Aviva Investors considered locations metro-wide during their site selection process. Although they preferred a downtown location, the downtown finalists were at a financial disadvantage to an available suburban building. Downtown Des Moines is facing up to 1.5 million square feet of vacant office space. In an effort to fill this space, the Office of Economic Development will aggressively and creatively work with building owners and potential tenants to overcome leasing obstacles. A financial incentive package has been negotiated with Aviva Investors to help offset the competitive disadvantage of downtown alternatives.

**FISCAL IMPACT:**

Amount: The City will reimburse up to \$183,270 of Aviva’s actual annual parking expenses incurred in a privately owned parking garage and 100% of their parking expenses incurred in a city-owned garage for a period of 7 years. Actual amount of the incentive will vary annually based on employment level and parking location.

Funding Source: Metro Center Urban Renewal Area tax increment financing. SP370, FIN909105, FY2010-2011 Operating Budget, page 117.

**ADDITIONAL INFORMATION:**

Aviva Investors North America, Inc. is a SEC-registered investment advisor specializing in institutional, income-driven asset management. Aviva Investors manages assets for insurance companies and other institutional clients and currently has assets under management of nearly \$400 billion globally across a range of funds.

Aviva Investors was incorporated in December 1997 as AmerUs Capital Management, Inc. In 2006, it became Aviva Capital Management, an affiliate of Aviva plc, the world's fifth-largest global insurer. The U.S. headquarters of Aviva Investors will be located downtown.

Business functions to be located downtown include, Global Finance, Risk Management, Compliance, Operations, Human Resources, Business Development, and Information Technology.

Aviva Investors has estimated they currently generate approximately 2,900 hotel night stays per year. The number of hotel night stays is anticipated to increase as the company's employment grows. Visitors include institutional investors, potential clients, visitors from financial centers such as Chicago and New York, representatives from company headquarters in the United Kingdom as well as professionals from a variety of other locations. Much of this activity will occur in downtown Des Moines.

#### **PREVIOUS COUNCIL ACTION(S):**

Date: March 8, 2010

Roll Call Number: 10-393

Action: [Regarding](#) preliminary terms of agreement with Aviva Investors North America, Inc. for downtown employment and office expansion. ([Council Communication No. 10-114](#)) Moved by Hensley to receive, file and approve preliminary terms of agreement set forth in the accompanying Council Communication and to direct the City Manager to proceed with negotiations of formal agreements with Aviva Investors North America, Inc. consistent with the terms set forth in the accompanying Council Communication. Motion Carried 7-0.

#### **BOARD/COMMISSION ACTION(S):**

Date: March 16, 2010

Roll Call Number: N/A

Action: Urban Design Review Board recommended approval of the Aviva Investors financial assistance package. Motion Carried 7-0.

#### **ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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