

Council Communication

Office of the City Manager

Date: May 4, 2015

Agenda Item No. 20

Roll Call No. <u>15-0744</u> Communication No. <u>15-236</u>

Submitted by: Matthew A. Anderson,

Assistant City Manager

AGENDA HEADING:

Resolution approving State of Iowa Contract 14-HQJTC-042 and a related amendment to the Urban Renewal Development Agreement with American Republic Insurance Company and the City of Des Moines for renovation of its corporate headquarters at 601 6th Street.

SYNOPSIS:

American Republic Insurance Company (Michael Abbott, Chief Executive Officer and President, 601 6th Street, Des Moines, Iowa 50309) is undertaking an extensive renovation of their downtown Des Moines corporate headquarters which will allow for the retention of its current employment base, including 161 high quality jobs and 65 retained jobs in Des Moines (defined as \$24.32 per hour with substantial benefits), and provide for a strong future growth plan for an additional 169 employees, including 23 high quality jobs, within the next five (5) years. This action approves American Republic's final State of Iowa Contract and amends the City development agreement to be consistent with the State contract as presented below in Additional Information.

FISCAL IMPACT:

<u>Amount</u>: This action does not involve any further fiscal impact. The fiscal terms remain unchanged from the previously approved Development Agreement.

<u>Funding Source</u>: The previously approved financial assistance and sustainability incentive will be funded through project-generated tax increment.

ADDITIONAL INFORMATION:

The company has been in the downtown since its inception in 1929 and moved to its present location in 1965. The project is anticipated to cost over \$34 million. The company had submitted a preliminary application to the High Quality Jobs Program (HQJP) with the Iowa Economic Development Authority in summer 2014 and entered into a development agreement with the City of Des Moines in July 2014 which contained a jobs retention/creation requirement based on the company's preliminary application. The HQJP contract has been finalized and contains additional information on the number of jobs being created and retained which will require an amendment to the City development agreement to match the state job requirements.

HQJP App	Total #	total	Total new	Total	Total	Total new	Total new
version	jobs now	number	HQJP	HQJP jobs	retained	jobs not	+ retained
		HQJP	jobs to be	created +	jobs not	HQJP	
		jobs now	created	retained	HQJP		

City Contract	240					140	380
IDEA Contract	249	161	23	184	65	146	395

HQJP = job paying at least \$24.32 per hour as a starting wage plus substantial benefits.

PREVIOUS COUNCIL ACTION(S):

<u>Date</u>: July 28, 2014

Roll Call Number: 14-1142

<u>Action</u>: <u>Urban</u> Renewal Development Agreement with American Republic Insurance Company for renovation of its corporate headquarters at 601 6th Street and approving proposed conceptual plan. (<u>Council Communication No. 14-357</u>) Moved by Mahaffey to adopt. Motion Carried 7-0.

<u>Date</u>: June 9, 2014

Roll Call Number: 14-0900

Action: Preliminary Terms of Agreement with American Republic Insurance Company at 601 6th Avenue for corporate headquarters renovations and submittal of an IEDA Business Assistance Application. (Council Communication No. 14-284) Moved by Hensley to receive, file and approve the preliminary terms of agreement as set forth in Council Communication No. 14-284; direct the City Manager to proceed with negotiation of a formal agreement with American Republic Insurance Company consistent with the terms set forth in Council Communication No. 14-284; and authorize and direct the City Manager to sign the statement in American Republic's application to the IEDA for Brownfield-Grayfield Tax Credits and other State assistance, expressing the City's support and sponsorship of the application. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Date: July 15, 2014

Resolution Number: N/A

<u>Action</u>: Recommended approval of the proposed financial assistance package and building conceptual design plans with additional later review of the overall site plan. The Board also encouraged the company to provide for wider public access to its art collection.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Review by the Urban Design Review Board and City Council approval of site conceptual plan by September 15, 2015 for the block on which the headquarters building is located.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the first floor of City Hall, 400 Robert D. Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.