

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: April 25, 2016
	Agenda Item No. 35 Roll Call No. <u>16-685</u> Communication No. <u>16-231</u> Submitted by: Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Resolution approving Settlement Agreement between the Iowa Economic Development Authority (IEDA) and Hewlett Packard Enterprise Company.

SYNOPSIS:

By Roll Call No. 11-0798, dated May 9, 2011, City Council approved a State of Iowa financial assistance Master Contract No. 11-IVF/TC-049 providing for financial assistance to Hewlett Packard Company in developing a 300,000-square-foot facility at 3600 Army Post Road. This resolution approves a settlement agreement between the IEDA and Hewlett Packard Enterprise Company, as successor to Hewlett Packard Company, which limits the amount of state financial assistance to be received by Hewlett Packard Enterprise Company in support of the facility at 3600 Army Post Road. The City of Des Moines is required to execute the settlement agreement as the sponsoring community.

FISCAL IMPACT: NONE

ADDITIONAL INFORMATION:

The State of Iowa financial assistance package provided in support of the Hewlett Packard Enterprise Company expansion required the company to retain 62 qualified jobs and create 10 qualified jobs by January 31, 2014, and maintain the jobs for a two (2) year maintenance period. Hewlett Packard Enterprise Company met the job retention and creation obligations by January 31, 2014, but fell below the job obligation during the job maintenance period. Hewlett Packard Enterprise Company has agreed to repay to the state of Iowa \$75,000 of tax credit benefits and \$25,000 of a forgivable loan in settlement of not achieving the job obligation during the job maintenance period.

Hewlett Packard has satisfied its obligations to the City of Des Moines, and falling below the job obligation in the State of Iowa Contract is not an event of default under the agreement with the City of Des Moines. The City's contribution to the expansion included vacation and conveyance of various rights-of-way and three (3) year/100% tax abatement.

PREVIOUS COUNCIL ACTION(S):

Date: May 9, 2011

Roll Call Number: [11-0798](#)

Action: [Financial](#) Assistance Contract with The Iowa Department of Economic Development for state assistance for the expansion of the Hewlett-Packard Facility at 3600 Army Post Road. ([Council Communication No. 11-274](#)) Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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