

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: March 20, 2017
	Agenda Item No. 32 Roll Call No. <u>17-0486</u> Communication No. <u>17-294</u> Submitted by: Erin Olson-Douglas, Economic Development Director

AGENDA HEADING:

Resolution approving sponsorship of an application for financial assistance to the Iowa Economic Development Authority (IEDA) for Voya Services Company (Voya) and resolution approving a parking license agreement between the City and Voya, which will serve as the City local match.

SYNOPSIS:

Voya Services Company (Tim Varrialle, Leasing Director-Corporate Real Estate, Voya Financial) is requesting City sponsorship of a financial assistance application under the IEDA’s High Quality Job (HQP) program. The company currently leases space at the Voya Building at 909 Locust Street and at 5900 Aurora Avenue. They will be consolidating their 437 existing employees currently in these two (2) locations into one (1) 85,000 square foot lease space at the Hub Tower at 699 Walnut Street as of January 2018. Their application shows they intend to grow by 15 employees, 11 of which qualify as a high quality job (\$26.72 per hour or higher). The weighted average pay of the new jobs is \$52.64 per hour.

Voya intends to make a \$9.8 million capital investment, which includes tenant improvements, computer hardware, furniture and fixtures. IEDA has offered Voya \$304,080 in investment tax credits and a \$249,000 refund of sales tax paid on construction materials for their expansion. The IEDA Board meeting occurred March 17, 2017.

The parking license agreement is for 400 floater spaces, with an option to increase or decrease by 40 spaces per year (remaining between 250 and 425 spaces), and will continue through July of 2025 to coincide with the end term of their lease at Hub Tower. The agreement allows for a 5-year extension (with no parking discount), which also coincides with the timing of the lease terms at Hub Tower.

FISCAL IMPACT:

Amount: \$624,880 - \$946,600, which is the minimum/maximum of a 20% parking discount on 250/425 (starting at 400) parking stalls over the term of the parking license agreement.

Funding Source: Metro Center Tax Increment Financing (TIF)

ADDITIONAL INFORMATION:

Voya Services Company is an American financial services company that offers retirement savings plans, investment management, and life and employee benefit insurance to corporations and

individuals. It is a Fortune 500 company (currently #252), and employs over 7,000 employees worldwide. Voya began as ING US, which was spun off in 2013 with an initial public offering. In April 2014, the company rebranded itself as Voya Financial. Voya's predecessors first entered the US market in the 1970's.

Voya has had a 20-year lease at 909 Locust, which is set to expire at the end of 2017. In August of 2016, Voya sent out a Request for Proposal (RFP) for new space in the metro area. Multiple properties within the City of Des Moines and in other communities were being considered. City staff worked with the current owner of 909 Locust, the Graham Group, on a potential 20% parking discount as a retention effort for this long-time employer. In January 2017, Voya indicated to City staff that they preferred to work directly with the City on a parking license agreement, as there were multiple locations within Des Moines that they were considering; they were also considering space in West Des Moines. In February 2017, Voya decided to remain in Des Moines and to lease 85,000 square feet at the Hub Tower, 699 Walnut Street, starting on January 1, 2018.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Approval of final IEDA HQJ contract.

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