

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b>	May 22, 2017
	<b>Agenda Item No.</b>	<b>35</b>
	<b>Roll Call No.</b>	<b><u>17-0878</u></b>
	<b>Communication No.</b>	<b><u>17-429</u></b>
	<b>Submitted by:</b>	<b>Erin Olson-Douglas, Economic Development Director</b>

**AGENDA HEADING:**

Resolution approving sponsorship of an application for financial assistance to the state of Iowa Economic Development Authority (IEDA) under the High Quality Jobs (HQP) Program for Siegwark USA Co.

**SYNOPSIS:**

Approval of a resolution sponsoring an application on behalf of Siegwark USA Co. (Earl Whipple, 3535 SW 56<sup>th</sup> Street, Des Moines, IA 50321) to the State of Iowa IEDA under the HQJ Program for financial assistance to support a proposed \$10 million warehouse expansion at 3301 SW 56<sup>th</sup> Street, Des Moines.

**FISCAL IMPACT:**

Amount: \$317,300 estimated value of tax abatement

Funding Source: Industrial tax abatement under the 5-year declining percentage schedule.

**ADDITIONAL INFORMATION:**

- Siegwark, a global company headquartered in Germany, develops custom ink portfolios to match customers' requirements. The Des Moines location, 3535 SW 56<sup>th</sup> Street, is Siegwark USA Co.'s headquarters for North Americas. Siegwark provides innovative ink formulations, which have exactly the right properties and functionality for customer applications for a variety of label packaging throughout the United States and Canada.
- Siegwark is proposing the development of a new warehouse at its SW 56<sup>th</sup> Street location to support its flexible packaging business unit. The new warehouse will be adjacent to the existing manufacturing plant and corporate office and will solidify Siegwark's presence in Iowa, while positioning the location for future growth. The project will have a capital investment of \$10 million and will retain two (2) jobs at a qualifying wage of \$27.92 per hour.
- The Company has submitted an application to the state of IEDA under the HQJ Program for investment tax credit (estimated value \$192,000) and refund of sales tax on construction materials (estimated value \$183,000). The City is required to provide a local match, which will be in the form of property tax abatement under the Industrial Tax Abatement 5-year declining percentage schedule applied to the new value added by the warehouse expansion.

**PREVIOUS COUNCIL ACTION(S): NONE**

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

Approval of documents related to State of Iowa HQJ Program Award.

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 Administration Building, 400 E. Court Avenue Ste.116. 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](mailto:cityclerk@dmgov.org).