

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: May 22, 2017
	Agenda Item No. 37 Roll Call No. <u>17-0880</u> Communication No. <u>17-456</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) under the High Quality Jobs (HQP) Program for Accordia Life & Annuity Company (aka Global Atlantic).

SYNOPSIS:

Global Atlantic (215 10th Street, 11th Floor, Kirsten Loreen, Vice President) is requesting City sponsorship of a financial assistance application under the IEDA’s HQJ Program. Global Atlantic presently occupies 33,580 square feet at the Davis Brown Tower, with additional space leased at the Financial Center. They intend to expand to 55,000 square feet within the building to accommodate growth in employment.

As part of the HQJ Program, IEDA has offered the company \$824,000 in investment tax credits and \$135,000 in sales tax refund on construction materials for the tenant improvement. In addition, Des Moines Area Community College (DMACC) will be providing \$250,000 in job training funds. The City’s contribution of \$100,000 will be coming from the Metro Center tax increment financing (TIF), to be payable once jobs are created and maintained for two (2) years.

FISCAL IMPACT:

Amount: \$100,000

Funding Source: Metro Center TIF

ADDITIONAL INFORMATION:

- Global Atlantic is a financial services company focusing on the U.S. life insurance, retirement and reinsurance markets. Founded in 2004 at Goldman Sachs, Global Atlantic has been an independent, privately owned company since May 2013.
- The company intends to spend \$4.5 million in tenant improvements at Davis Brown Tower and \$2 million in furniture and fixtures.
- The company currently employs 904 people nationally and 197 people in Des Moines.
- The proposed project entails the creation of 65 jobs, 57 of which will be wage-qualifying jobs, with a weighted average wage of \$47.96 per hour.
- The proposed project retains 17 qualifying jobs with a weighted average wage of \$45.05 per hour.

- The incentive package includes:
 - \$824,000 in investment tax credits from IEDA
 - \$135,000 in sales tax refund on construction materials from IEDA
 - \$250,000 in job training funds from DMACC
 - \$100,000 in local match from the City of Des Moines
- The IEDA Board was scheduled to act on this request at their May 19, 2017 Board meeting. Any approval would be contingent on the City's support.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- Approval of 3-party IEDA HQJ contract.
- Approval of development agreement between the City and Global Atlantic.

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