

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: August 28, 2017
	Agenda Item No. 30 Roll Call No. <u>17-1476</u> Communication No. <u>17-618</u> Submitted by: Erin Olson-Douglas, Economic Development Director

AGENDA HEADING:

Resolution approving economic development assistance contract with the Iowa Economic Development Authority (IEDA), Siegwirk USA CO., and the City of Des Moines under the High Quality Jobs (HQJ) Program.

SYNOPSIS:

Approval of State of IEDA HQJ financial assistance contract and a City Development Agreement with Siegwirk USA Co. (Earl Whipple, CFO, 3535 SW 56th Street, Des Moines, IA 50321) to assist a \$10 million warehouse expansion at 3301 SW 56th Street, Des Moines.

FISCAL IMPACT:

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

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

ADDITIONAL INFORMATION:

- Siegwirk, a global company headquartered in Germany, develops custom ink portfolios to match customers’ requirements. The Des Moines location, 3535 SW 56th Street, is Siegwirk USA Co.’s headquarters for North America. Siegwirk 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.
- Siegwirk is proposing the development of a new warehouse at its SW 56th 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 Siegwirk’s presence in Iowa, while positioning the location for future growth. The project will make a capital investment of \$10 million and will retain its existing community job base of 230 at an average wage of \$27.02 per hour, of which 83 jobs are at or above the IEDA qualifying laborshed wage threshold of \$27.92 per hour.

- The Company's application to IEDA under the HQJ Program was approved by the IEDA Board 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 schedule applied to the new value added by the warehouse expansion.

PREVIOUS COUNCIL ACTION(S):

Date: May 22, 2017

Roll Call Number: [17-0878](#)

Action: [Sponsorship](#) of an application for financial assistance to the Iowa Economic Development Authority (IEDA) under the High Quality Jobs (HQJ) Program for Siegwirk USA Co. ([Council Communication No. 17-429](#)) Moved by Gatto to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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