

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> April 9, 2018
	<b>Agenda Item No.</b> 35 <b>Roll Call No.</b> <u>18-581</u> <b>Communication No.</b> <u>18-163</u> <b>Submitted by:</b> 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 (HQJ) Program for Meredith Corporation.

**SYNOPSIS:**

Meredith Corporation (1716 and 1615 Locust Street, Steve Gatton, State Tax Manager) is requesting City sponsorship of a financial assistance application under the IEDA’s HQJ Program. Meredith has recently acquired Time, Inc. and plans to relocate positions from Time Inc.’s New York City headquarters to Des Moines and hire new staff to fill these positions. The application indicates that Meredith will be investing \$20.6 million in their existing office and create 41 jobs at \$30 per hour, with a wage of \$33 per hour in three (3) years.

The Polk County Assessor’s office has determined that this remodeling project will not result in an increase in tax valuation. There is no local match required due to the fact that IEDA is not offering any direct financial assistance and that the proposed improvements are not expected to increase the assessed value of the property. A resolution of support is required from the City of Des Moines.

The IEDA Board approved the application at their March 23, 2018 meeting, pending approval by the City of Des Moines.

**FISCAL IMPACT: NONE**

**ADDITIONAL INFORMATION:**

- Meredith Corporation is a multi-faceted media company, with platforms in broadcast television, print, digital, mobile, and video.
- Meredith’s National Media Group reaches nearly 200 million unduplicated American consumers every month, including 85% of US millennial women.
- Meredith employs over 8,650 people worldwide; currently there are 737 employees in Des Moines.

- The 41 new jobs will be professional and support positions, such as accountants, financial and data analysts, lawyers, marketing, human resources, and information technology.
- The space at 1615 Locust was built in 1997, with little updating done since then. Over a period of three (3) years, Meredith intends to spend \$5 million on remodeling their existing space, which will include new:
  - flooring
  - paint
  - heating, ventilation and air conditioning (HVAC)
  - furniture (including work stations)
  - electrical feed to new work stations
  - low voltage network cabling
  - window shades for four (4) floors on west and south sides
- In addition, Meredith will be spending:
  - \$600,000 in computer hardware
  - \$10,000,000 in computer software
  - \$3,000,000 in furniture and fixtures
  - \$2,000,000 in research & development
- The incentive package includes:
  - \$280,000 in investment tax credits from IEDA
  - \$150,000 in sales tax refund on construction materials for the remodeling project from IEDA
  - \$30,000 in research activities credit from IEDA
  - \$385,176 in job training funds from Des Moines Area Community College

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

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

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

- Approval of 3-party IEDA HQJ contract.

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