

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	May 21, 2018
	Agenda Item No.	47
	Roll Call No.	<u>18-0889 18-0890</u>
	Communication No.	<u>18-274</u>
	Submitted by:	Erin Olson-Douglas, Economic Development Director

AGENDA HEADING:

Resolutions approving a license agreement between the City and Voya Services Company (Voya), and between the City and VIAC Services Company (VIAC).

SYNOPSIS:

On March 20, 2017 through Roll Call No. 17-0487, the City Council approved a parking license agreement with Voya whereby Voya would lease 250-425 parking stalls at either the 9th and Locust or the 8th and Mulberry garages through July of 2025. A 20% discount on the parking cost was extended, which also served as the local match to the Iowa Economic Development Authority (IEDA) High Quality Jobs (HQJ) program. Sponsorship of the IEDA application was also approved at the same Council meeting through Roll Call No. 17-0488.

Voya intends to sell off a portion of the company, which will operate under a new name, VIAC. This new company will remain in the same leased space in Hub Tower. This ownership change has initiated a request for two (2) main changes to the existing parking agreement:

1. The job growth that was the basis of the IEDA program mentioned above (15 jobs) would have developed from what will become the VIAC segment of the company. Voya has already completed the property improvements outlined in the contract; however, VIAC has indicated that they do not want to be a party to the previous three-party contract (Voya/City of Des Moines/IEDA). It is expected that IEDA will terminate the contract at an upcoming IEDA Board meeting. Commensurate City Council action will occur after the IEDA action. Since the parking agreement refers to the IEDA contract that will soon be terminated, the agreement needs to be amended to remove those references.

2. The sale is expected to be complete on June 1, 2018. Voya has requested that the existing parking agreement be split into two (2) agreements: one (1) for Voya and one (1) for VIAC. The two (2) companies would lease 250-375 total stalls; 125-225 for Voya in the 9th and Locust garage and 125-150 for VIAC in the 8th and Mulberry garage.

FISCAL IMPACT:

Amount: The fiscal impact of the 20% discount was previously approved by City Council on March 20, 2017 by Roll Call No. 17-0487. No additional funds are required by this action. The range of the discount has been narrowed by \$163,240 as the number of parking stalls is now more precise.

Funding Source: Metro Center Tax Increment Financing (TIF)

ADDITIONAL INFORMATION:

- Voya 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 had a 20-year lease at 909 Locust, which expired at the end of 2017. In August of 2016, Voya issued 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 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. This ongoing discussion of a 20% discount on parking was then incorporated into the IEDA contract as the City's local match.

PREVIOUS COUNCIL ACTION(S):

Date: March 20, 2017

Roll Call Number: [17-0487](#) and [17-0488](#)

Action: Items regarding Voya Services Company: ([Council Communication No. 17-294](#))

- (A) [Economic](#) Development Parking License Agreement between the City of Des Moines and Voya Services Company for the use of Ninth and Locust Garage and Eight and Mulberry Garage. Moved by Hensley to adopt. Motion Carried 7-0.
- (B) [Support](#) of Economic Development Assistance Contract between Iowa Economic Development Authority and Voya Services Company. Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

- Termination of three-party contract between Voya/City of Des Moines/IEDA.

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