

COUNCIL COMMUNICATION

	Number:	20-018	Meeting:	January 13, 2020
	Agenda Item:	42	Roll Call:	20-0072
	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 Fidelity & Guaranty Life Business Services, Inc. (Fidelity & Guaranty).

SYNOPSIS:

Fidelity & Guaranty (Two Ruan Center, 601 Locust Street, Suite 1400, Des Moines, IA 50309, Karen Krug, Vice President, Human Resources) is requesting City sponsorship of a financial assistance application under the IEDA's HQJ Program. Fidelity & Guaranty is expanding their corporate headquarters in downtown Des Moines to accommodate anticipated company growth. They are currently leasing approximately 55,000 square feet at the Ruan Center, and plan to expand to 83,525 square feet at 801 Grand, with the ability to expand further. They currently employ approximately 190 employees, and plan to add 60 additional jobs within three (3) years, 53 of which meet the HQJ requirements (\$30.98 per hour). The move will involve a complete tenant improvement build-out, including new furniture and technology components. Fidelity & Guaranty plans to invest approximately \$9.4 million in the project.

The IEDA Board approved the application at their December 20, 2019 Board meeting, pending approval by the City of Des Moines. A resolution of support is required from the City. The company requested assistance with a parking solution and were favorable to using the 9th and Locust parking garage.

FISCAL IMPACT:

Amount: \$108,000 - 20% discount on monthly floater rate for 75 stalls over five (5) years; market rate for following five (5) years.

Funding Source: Parking Enterprise Fund

ADDITIONAL INFORMATION:

- In business for 60 years, Fidelity & Guaranty employs 344 people within the United States.

- The company provides retirement and life insurance solutions for nearly 700,000 customers. Their main products are Fixed Indexed Annuities, Multi-Year Guarantee Annuities, and Indexed Universal Life, which are sold through 37,000 licensed agents.
- When Principal decided to remodel the four (4) buildings on their campus, a City incentive was approved, whereby 50% of any increase in increment would be rebated back to the property owner. Much of the campus is owner-occupied, however, 801 Grand has been largely marketed to tenants. The intent of the incentive was that 801 Grand would remain a desirable office location, and that it would continue to see improved lease activity, as demonstrated through this Fidelity & Guaranty project.
- Tenant improvements are anticipated to start in spring 2020, and the move to the new location is expected at the end of 2020.
- IEDA is proposing:
 - \$155,563 in investment tax credit
 - \$71,915 in sales, service, & use tax refund

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- Approval of 3-party IEDA HQJ contract.
- Approval of parking license agreement.

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