

★ Roll Call Number

14-1862

Agenda Item Number

41

Date December 8, 2014

PRELIMINARY TERMS OF AGREEMENT WITH EMPLOYERS MUTUAL CASUALTY COMPANY (EMC) FOR PROPOSED NEW CONSTRUCTION AT 8TH STREET AND WALNUT STREET, AND AUTHORIZATION TO EXECUTE BUSINESS FINANCIAL ASSISTANCE APPLICATION AS PROJECT SPONSOR

WHEREAS, Employers Mutual Casualty Company (EMC) is proposing to construct a four-story building at the southeast corner of the intersection of 8th Street and Walnut Street, adjacent to EMC Des Moines Branch Office and to also benefit EMC National Life Company, including collaborative meeting space, EMC's Wellness Center, and space for computer, mechanical and printing equipment, which construction will benefit EMC to attract and retain employees at its Des Moines location and also is expected to benefit further redevelopment of Walnut Street, at an estimated project cost of \$22,466,000, subject to receipt of financial assistance from the Iowa Economic Development Authority and from the City as a local match contributor; and

WHEREAS, the City Manager's Office has negotiated preliminary terms of agreement whereby EMC, subject to approval by the EMC Board of Directors and IEDA, would undertake to construct the office building as described above in exchange for an undertaking by the City to provide an Economic Development Grant payable in 30 semi-annual grant installments and equal to fifty percent (50%) of the new tax increment revenue received from the assessment increase in the building taxable value minus the Self Supported Municipal Improvement District (SSMID) and debt-protected levies, and to provide a Leadership in Energy & Environmental Design (LEED) Incentive of \$25,000 per year for 10 years for a LEED-certified building, all as more specifically described in the accompanying Council Communication; and

WHEREAS, EMC is submitting a Business Financial Assistance Application to the Iowa Economic Development Authority (IEDA) for tax credits pursuant to the State's High Quality Jobs Program, which Application requires sponsorship by a city or county, and EMC has requested that the City execute said application as a project sponsor.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that:

1. The Preliminary Terms of Agreement with EMC for the above-described project, as set forth in the accompanying Council Communication, are hereby received and filed.
2. The City Manager's Office is authorized and directed to proceed with negotiation of a formal agreement with EMC, for Council consideration, consistent with the terms set forth in the accompanying Council Communication.
3. The Mayor is authorized and directed to execute EMC's Business Financial Assistance Application, in the form on file in the office of the City Clerk, on behalf of the City as sponsor organization for EMC's proposed project.

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(Council Communication No. 14-560)

Moved by Gatto to adopt.

APPROVED AS TO FORM:

Glenna K. Frank
Glenna K. Frank, Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
COLEMAN	✓			
GATTO	✓			
GRAY	✓			
HENSLEY	✓			
MAHAFFEY	✓			
MOORE	✓			
TOTAL	7			

MOTION CARRIED 7 APPROVED
T. M. Franklin Mayor

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

Diane Rauh City Clerk