



Roll Call Number

11-0685

Agenda Item Number

35

Date April 25, 2016

RESOLUTION APPROVING SETTLEMENT AGREEMENT BETWEEN THE IOWA ECONOMIC DEVELOPMENT AUTHORITY AND HEWLETT PACKARD ENTERPRISE COMPANY

WHEREAS, on May 9, 2011, by Roll Call No. 11-0798, the City Council approved a State of Iowa financial assistance contract No. 11-IVF/TC-049 between Hewlett Packard Company, now known as Hewlett Packard Enterprise Company (the "Company") and the Iowa Department of Economic Development now known as the Iowa Economic Development Authority ("IEDA") and the City of Des Moines as the sponsoring Community (the "Agreement"); and

WHEREAS, the state financial assistance provided for an award of a Grow Iowa Values Fund Forgivable Loan in the amount of \$600,000, and High Quality Jobs Program Tax Credits in the amount of \$465,000 in support of the development of a new 300,000 square foot facility at 3600 Army Post Road; and

WHEREAS, to receive the full amount of the IEDA award, the Company was required to retain and create 72 qualified jobs by January 31, 2014, which the Company did and maintain the jobs for a maintenance period of two years, which the Company failed to meet; and

WHEREAS, Hewlett Packard Enterprise Company's failure to fully satisfy the job obligation during the maintenance period under its agreements with IEDA is not an event of default under its agreements with the City of Des Moines.

WHEREAS, the Company has negotiated a Settlement Agreement with the IEDA, to whereby the Company agrees to repay to the state of Iowa \$75,000 of tax credit benefits and \$25,000 of the Forgivable Loan; and

WHEREAS, the City of Des Moines, as a party to the Agreement is required to approve the settlement and execute the Settlement Agreement; and

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that the Settlement Agreement between the Iowa Economic Development Authority and Hewlett Packard Enterprise Company dated November 20, 2015, is hereby approved, and the Mayor is hereby authorized and directed to sign the Agreement on behalf of the City of Des Moines.

(Council Communication No. 16-231)

APPROVED AS TO FORM:

Moved by Hensley to adopt.

Thomas G. Fisher Jr. (Signature)

Thomas G. Fisher Jr. Assistant City Attorney

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, COLEMAN, GATTO, GRAY, HENSLEY, MOORE, WESTERGAARD, and TOTAL (7).

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.

Mayor (Signature)

City Clerk (Signature)