



Roll Call Number

17-0294

Agenda Item Number

32

Date February 20, 2017

RESOLUTION IN SUPPORT OF AN APPLICATION FOR ECONOMIC DEVELOPMENT ASSISTANCE FROM THE IOWA ECONOMIC DEVELOPMENT AUTHORITY AND APPROVING PRELIMINARY TERMS FOR AN AGREEMENT AMONG COGNIZANT TECHNOLOGY SOLUTIONS U.S. CORPORATION, THE IOWA ECONOMIC DEVELOPMENT AUTHORITY, AND THE CITY OF DES MOINES

WHEREAS, Cognizant Technology Solutions U.S. Corporation (“Cognizant”), proposes to move and expand its operations and lease space in Two Ruan Center and has requested City support for its application to the Iowa Economic Development Authority (IEDA) for State tax incentives under the IEDA’s High Quality Jobs Program and

WHEREAS, the application requires the submission of a resolution in support of the Project by the community where the Project will be located, which requirement is intended to be satisfied by this Roll Call and resolution; and

WHEREAS, in exchange for creating 1014 jobs which qualify for the High Quality Jobs Program, Cognizant may be eligible for approval from the High Quality Jobs Program for \$111,192 in state tax credits and \$613,079 in direct financial assistance meeting all program requirements; and

WHEREAS, On September 12, 2016, in Roll Call No. 16-1533, the City Council approved an agreement between Cognizant and IEDA, however subsequent to that Roll Call, the terms of that agreement have changed; and,

WHEREAS, the High Quality Jobs Program requires that the City SUPPORT Cognizant’s application, enter into an agreement with IEDA, and provide a local community match in the amount of 20 percent of the forgivable loan, an amount presently anticipated to be \$122,616 (including discounts provided in a parking agreement), plus a potential additional local community match pursuant to Iowa Code 427B if there is an increase in taxable value of the real estate due to tenant improvements.

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

1. The City Council withdraws the support and authority granted by the Resolution in Roll Call Number 16-1533.
2. The City Council of the City of Des Moines expresses its support for the application to and an agreement with the IEDA, conditioned on Cognizant filing an application for assistance



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under the High Quality Jobs Program for the creation of 1014 Jobs in the City of Des Moines with terms as outlined in this Resolution and the Council Communication.

3. The Mayor and the City Manager are hereby authorized and directed to sign any forms required by the Administrative Rules of the IEDA to evidence the City's support for the application and agreement, upon approval by the City Legal Department.

4. The City Manager is hereby authorized and directed to negotiate final terms of an Agreement with IEDA to provide this assistance pursuant to these terms in a form approved by the Legal Department for consideration by and approval of the City Council.

5. The Office of Economic Development is directed to transmit a copy of this resolution and Roll Call to Developer for submittal to the IEDA.

(Council Comm. No. 17-083)

MOVED BY Hensley to adopt.

FORM APPROVED:

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.

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.

T. M. Franklin Council Mayor

Diane Rauh City Clerk