



Agenda Item:

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COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 7/12/04 Communication
No.: 04-335
Agenda Item Type: Resolution Roll Call
No.:

Submitted by: Richard A. Clark, Deputy City Manager

SUBJECT—

Recommending Approval of the Employers Mutual Casualty Company (EMC) Application to the Iowa Department of Economic Development for Enterprise Zone Benefits Regarding a Project in the Gateway Enterprise Zone

SYNOPSIS—

Council is requested to recommend approval of EMC's application for enterprise zone benefits to the Des Moines Enterprise Zone Commission and to the Iowa Department of Economic Development. EMC proposes to build an employee parking facility on the block bounded by 7th to 8th and Mulberry to Cherry Streets and to create at least 10 jobs within the next three years. This parking garage will be located directly across the street from EMC's headquarters at 717 Mulberry Street.

EMC will sell two surface parking lots to Wells Fargo in order to facilitate the expansion of its home office. Subsequently, EMC intends to acquire the above-referenced City-owned block and will construct one parking facility. The City of Des Moines will own approximately 900 spaces, which it will acquire through a Lease-Purchase Agreement, and EMC will own 897 spaces.

FISCAL IMPACT—

EMC will be eligible to receive a total estimated \$1.57 million in State of Iowa investment tax credits and a refund of sales, service, or use taxes paid during construction.

RECOMMENDATION—

Approval.

BACKGROUND—

EMC, headquartered in downtown Des Moines (Bruce G. Kelley, President and Chief Executive Officer, 700 Walnut Street, Des Moines, IA 50304-0884), provides property and casualty insurance products throughout the United States. It is among the top 60 non-life insurance companies nationwide and is one of the largest in Iowa. The company currently employs 1,100 people in its downtown office. The parking facility is necessary to accommodate the company's workforce expansion of up to 100 employees within the next 10 years. Construction is anticipated to commence in late summer 2004 and be completed by December 2005.