



**REVISED**

Agenda Item:

066

## **COUNCIL COMMUNICATION City Manager's Office**

### **GENERAL INFORMATION**

Agenda Date: 10/11/04  
497

Communication No.: 04-

Agenda No.:	Item	Type:	Resolution	Roll	Call
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Submitted by: Richard Clark, Deputy City Manager

### **SUBJECT—**

Recommending Approval of the Wells Fargo Financial, Inc. (WFF) 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 WFF's application for enterprise zone benefits to the Des Moines Enterprise Zone Commission and to the Iowa Department of Economic Development. WFF proposes to invest \$81 million to construct a 361,000 square foot office building between 8<sup>th</sup> and 9<sup>th</sup> Streets north of Walnut Street, remodel its home office at 800 Walnut Street to accommodate a skywalk connection to the new building and install two surface parking lots between Cherry Street and the Martin Luther King, Jr. Parkway. The company intends to create 775 jobs within the next three years and add 225 jobs in the fourth year.

### **FISCAL IMPACT—**

If approved by the State of Iowa, WFF would be eligible to receive up to \$1.65 million in a sales tax refund and \$7.65 million in State of Iowa investment tax credits. However, in an email dated October 11, 2004, WFF has advised they do not have sufficient income tax to take advantage of the tax credits at this time. WFF included the EZ tax credit in the event their tax status changes in the future. At this time, however, WFF does not believe they will be eligible.

On December 22, 2003, the City Council approved a redevelopment agreement with WFF. The agreement provided \$10,125,000 primarily for land acquisition and building construction. The City's investment is funded over 20 years entirely from a portion of the tax increment dollars resulting from the project.

**RECOMMENDATION—**

Approval.

**BACKGROUND—**

WFF, headquartered in downtown Des Moines, provides consumer installment and home equity lending, automobile financing, consumer and private-label credit cards, leasing to businesses, technology services, and receivables financing. WFF has customers in 47 states, 10 Canadian provinces and Latin America. In 2003, the company moved into its \$90 million, 350,000 square-foot building at 800 Walnut Street. WFF currently employs 2,700 people in its downtown office. Construction is anticipated to commence in October/November 2004, after Iowa Department of Economic Development Board approval, and be completed by fall 2006.