

# COUNCIL COMMUNICATION

	Number:	<b>20-308</b>	Meeting:	<b>July 13, 2020</b>
	Agenda Item:	<b>34</b>	Roll Call:	[ ]
	Submitted by:	<b>Erin Olson-Douglas, Economic Development Director</b>		

## AGENDA HEADING:

Resolution approving an economic development assistance contract with the Iowa Economic Development Authority (IEDA), Fidelity & Guaranty (“Fidelity & Guaranty”), and the City of Des Moines under the High Quality Jobs (HQP) Program; and resolution approving a Development Parking License Agreement with Fidelity & Guaranty.

## SYNOPSIS:

By Roll Call No. 20-0072, dated January 13, 2020, City Council approved sponsorship of a financial assistance application under the IEDA’s HQJ Program. The IEDA Board has approved the HQJ application and the contract is being presented for approval and execution by the City. Additionally, a parking license agreement is being presented for approval and execution that provides for a 20% discount for five (5) years on 75 stalls.

Fidelity & Guaranty is expanding their corporate headquarters in downtown Des Moines to accommodate anticipated company growth. They are currently leasing approximately 55,000 square feet at the Ruan Center, and plan to expand to 83,525 square feet at 801 Grand, with the ability to expand further. They currently employ approximately 190 employees, and plan to add 60 additional jobs within three (3) years. Of those 60 jobs, 53 meet the HQJ requirements (\$30.98 per hour). The move will involve a complete tenant improvement build-out, including new furniture and technology components. Fidelity & Guaranty plans to invest approximately \$9.4 million in the project.

The company requested assistance with a parking solution and were favorable to using the 9th and Locust parking garage.

## FISCAL IMPACT:

Amount: \$108,000 - 20% discount on monthly floater rate for 75 stalls over five (5) years; market rate for following five (5) years

Funding Source: Parking Enterprise Fund

## ADDITIONAL INFORMATION:

- In business for 60 years, Fidelity & Guaranty employs 344 people within the United States. The company provides retirement and life insurance solutions for nearly 700,000 customers. Their

main products are Fixed Indexed Annuities, Multi-Year Guarantee Annuities, and Indexed Universal Life, which are sold through 37,000 licensed agents.

- When Principal decided to remodel the four (4) buildings on their campus, a City incentive was approved, whereby 50% of any increase in increment would be rebated back to the property owner. Much of the campus is owner-occupied, however, 801 Grand has been largely marketed to tenants. The intent of the incentive was that 801 Grand would remain a desirable office location, and that it would continue to see improved lease activity, as demonstrated through this Fidelity & Guaranty project.
- Tenant improvements are anticipated to start in summer 2020, and the move to the new location is expected at the end of 2020.
- IEDA is proposing:
  - \$155,563 in investment tax credit
  - \$71,915 in sales, service, & use tax refund

**PREVIOUS COUNCIL ACTION(S):**

Date: January 13, 2020

Roll Call Number: [20-0072](#)

Action: [Sponsorship](#) of an application for financial assistance to the Iowa Economic Development Authority (IEDA) under the High-Quality Jobs Program for Fidelity & Guaranty. ([Council Communication No. 20-018](#)) Moved by Gatto to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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