


## COUNCIL COMMUNICATION

	Number:	<b>20-437</b>	Meeting:	<b>October 5, 2020</b>
	Agenda Item:	<b>32</b>	Roll Call:	<b>20-1575</b>
	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), Helena Industries, LLC, and the City of Des Moines under the High Quality Jobs (HJQ) Program.

### SYNOPSIS:

By Roll Call No. 19-1220, dated August 5, 2019, City Council approved sponsorship of a financial assistance application under the IEDA's HJQ Program. The IEDA Board has approved the HJQ application and the contract is being presented for approval and execution by the City.

Helena is pursuing three (3) major projects on the property that they had previously purchased from the City: a 100,000-square-foot manufacturing plant; a 50,000-square-foot flowable manufacturing plant; and a 200,000-square-foot warehouse. The qualifying investment is approximately \$37 million. Construction costs for all three (3) projects are estimated to be approximately \$25 million. The project will create 25 new jobs, with an average wage of \$20.96 per hour. Three (3) jobs will qualify as high quality jobs.

### FISCAL IMPACT:

Amount: The 5-year total of tax abatement (from all taxing entities) for the \$25 million project is estimated to be \$1,641,510, of which \$555,984 is City taxes.

Funding Source: State-established industrial tax abatement (427B), which is a 5-year sliding scale: 75% for year one (1); 60% for year two (2); 45% for year three (3), 30% for year four (4); and 15% for year five (5).

### ADDITIONAL INFORMATION:

- Helena Industries, a subsidiary of Helena Agri-Enterprises, LLC (formerly known as Helena Chemical Company) is a contract chemical manufacturing company located in the City's Southeast Agribusiness Park.
- Founded in 1957, and currently headquartered in Collierville, Tennessee, Helena Agri-Enterprises, LLC has grown to be one (1) of the nation's foremost agricultural and specialty formulators and distributors in the country with four (4) plants in the United States. The parent company is Marubeni, one (1) of the largest general trading companies in Japan.

- Approximately one-third of Helena Industries' sales are to Helena Agri-Enterprises, LLC, while the remaining two-thirds of its customers are firms such as BASF, Bayer, Corteva AgriSciences, and Syngenta.
- Since 2008, Helena has invested approximately \$30 million in ongoing improvements in equipment and additional buildings on their campus.
- Currently, Helena employs 127 people in Des Moines.
- The incentive package from IEDA totals \$1,120,000, which includes:
  - \$370,000 investment tax credit
  - \$750,000 refund on sales tax for construction materials
- Construction on the projects has begun.

**PREVIOUS COUNCIL ACTION(S):**

Date: August 5, 2019

Roll Call Number: [19-1220](#)

Action: [Support](#) of a High-Quality Jobs Program business financial assistance application to the Iowa Economic Development Authority (IEDA) on behalf of Helena Industries, LLC (Troy Hugen, Plant Manager), 3525 Vandalia Road. ([Council Communication No. 19-353](#)) Moved by Gatto to adopt. Motion Carried 7-0.

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

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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