


COUNCIL COMMUNICATION

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|  | Number: | 21-319 | Meeting: | July 19, 2021 |
| | Agenda Item: | 41 | Roll Call: | 21-1125 |
| | Submitted by: | Erin Olson-Douglas, Development Services Department Director | | |

AGENDA HEADING:

Resolution for approval of an Economic Development Parking License Agreement between the City of Des Moines and Fidelity & Guaranty Life Business Services, Inc (F&G).

SYNOPSIS:

The City Council approved a parking license agreement at the 9th & Locust garage for F&G (20% discount for five {5} years on 75 stalls) on July 13, 2020 in conjunction with a local match for a High Quality Jobs (HQP) application through the Iowa Economic Development Authority (IEDA). The license agreement was set to start in fall of 2020. Due to the impact of COVID-19, F&G has delayed locating its employees in the 801 Grand building to September 1, 2021 and has asked that the parking agreement commencement date change to September 1, 2021.

FISCAL IMPACT:

The number of stalls and parking discount are not different from what was previously approved. Only the commencement date is changing.

ADDITIONAL INFORMATION:

- In business for 60 years, F&G 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 F&G project.

- F&G is expanding their corporate headquarters in downtown Des Moines to accommodate anticipated growth with a move from 55,000 square feet at Ruan Center to 83,000 square feet at 801 Grand. At the time of the application in 2020, F&G employed approximately 190 employees and have pledged to add 60 additional employees within three (3) years. Of those 60 jobs, 53 met the HQJ wage level requirements (\$30.98 per hour). Tenant improvements for the project, including new furniture and technology components were estimated to be approximately \$9.4 million.
- The HQJ grant from IEDA provided \$155,563 in investment tax credit and \$71,915 in sales, service, & use tax refund. The parking discount, which equates to \$108,000 meets the local match requirement.

PREVIOUS COUNCIL ACTION(S):

Date: July 13, 2020

Roll Call Number: [21-1118](#) and [20-1119](#)

Action: Items regarding Fidelity & Guaranty (Karen Krug, Vice President, Human Resources), 601 Locust Street, Suite 1400: ([Council Communication No. 20-308](#))

- (A) [Economic](#) Development Assistance Contract under Iowa Economic Development Authority (IEDA) High Quality Jobs Program. Moved by Gatto to adopt. Motion Carried 6-1. Absent: Boesen.
- (B) [Economic](#) Development Parking License Agreement. Moved by Gatto to adopt. Motion Carried 6-1. Absent: Boesen.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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