

COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	22-401	Meeting:	September 12, 2022
	Agenda Item:	53	Roll Call:	22-1433
	Submitted by:	Erin Olson-Douglas, Development Services Department Director		

AGENDA HEADING:

Resolution approving a third amendment to the Iowa Economic Development Authority (IEDA) contract related to the financial assistance for Accordia Life & Annuity Company (aka Global Atlantic) under the IEDA High Quality Jobs (HQJ) program.

SYNOPSIS:

On February 5, 2018, the City Council approved an IEDA contract on behalf of Accordia Life & Annuity Company (215 10th Street, 11th Floor, Des Moines, IA 50309, Kirsten Loreen, Vice President) for financial assistance under the IEDA HQJ program. The terms of the agreement stated that by May 31, 2020, Accordia Life & Annuity would create 65 jobs, 54 of which will be wage-qualifying jobs (\$27.92 per hour) and would retain 17 jobs. They were also required to maintain the jobs for two (2) years – until May 31, 2022.

On November 23, 2020, the City Council approved a 1-year extension to the contract. On October 4, 2021, the City Council approved another 1-year extension, which resulted in a May 31, 2022, deadline for job creation and a May 31, 2024, deadline for job maintenance. Accordia is now requesting a third extension to move the deadline for job creation by seven (7) months to December 31, 2022, with a maintenance period ending on December 31, 2024.

Accordia has indicated that their 2021 and 2022 plans of headcount growth did not materialize as anticipated due to the pandemic and a shift in priorities. They anticipate headcount growth to accelerate during the remainder of 2022. Currently, they have created 50 of the 54 wage-qualifying jobs required.

FISCAL IMPACT:

No financial aspects of the agreement would be changed. Only the length of the term would change.

ADDITIONAL INFORMATION:

- Accordia is a financial services company focusing on the U.S. life insurance, retirement, and reinsurance markets. Founded in 2004 at Goldman Sachs, Accordia has been an independent, privately owned company since May 2013.
- The expansion project entails the creation of 65 jobs, 54 of which will be wage-qualifying jobs (\$27.92 per hour). The average wage of total project employment in Des Moines at the time of

the contract approval was \$47.82 per hour. The average wage of the qualifying jobs was \$54.88/hour.

- As part of the expansion project, the company spent \$4.5 million in tenant improvements at Davis Brown Tower and \$2 million in furniture and fixtures.
- The incentive package includes:
 - \$640,000 in investment tax credits from IEDA
 - \$135,000 in sales tax refund on construction materials from IEDA
 - \$100,000 in local match from the City of Des Moines upon completion of the job requirements

PREVIOUS COUNCIL ACTION(S):

Date: October 4, 2021

Roll Call Number: [21-1482](#)

Action: [Second](#) amendment to the Iowa Economic Development Authority (IEDA) contract with Accordia Life & Annuity Company and Global Atlantic Financial Company under the IEDA High Quality Jobs (HQJ) program. ([Council Communication No. 21-408](#)) Moved by Gatto to adopt. Motion Carried 7-0.

Date: November 23, 2020

Roll Call Number: [20-1886](#)

Action: [Amendment](#) to the Iowa Economic Development Authority (IEDA) contract related to the financial assistance for Accordia Life & Annuity Company (aka Global Atlantic) under the IEDA High Quality Jobs (HQJ) program. ([Council Communication No. 20-502](#)) Moved by Gatto to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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