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Date June 9, 2014

APPROVING PRELIMINARY TERMS OF AGREEMENT WITH AMERICAN REPUBLIC INSURANCE COMPANY FOR CORPORATE HEADQUARTERS RENOVATIONS AND SUBMITTAL OF AN IEDA BUSINESS ASSISTANCE APPLICATION

WHEREAS, American Republic Insurance Company (hereinafter "American Republic"), represented by Michael Abbott, President, is planning an extensive interior renovation of its downtown Des Moines corporate headquarters within the next year; and,

WHEREAS, the planned renovation of American Republic's 132,000-square-foot headquarters building is estimated to cost over \$28 million and will include substantial improvements in energy efficiency including solar energy, LED lighting and improved mechanical systems; upgrades to the information technology equipment to improve employee retention and future recruitment; and a complete integration of the life/safety systems; and,

WHEREAS, the planned renovations will allow for the retention of approximately 260 full-time employees of American Republic now working in the downtown area, and allow for an anticipated increase of approximately 180 employees have starting wages in a range between \$22.37 to almost \$36 per hour and include a wide range of benefits; and,

WHEREAS, American Republic has evaluated other sites, and the decision to stay and expand its employment at its current location is contingent on receipt of City and State assistance to make the renovations financially viable; and,

WHEREAS, the Office of Economic Development has negotiated preliminary terms of agreement with American Republic, whereby in exchange for an undertaking by American Republic to complete the planned renovation of its headquarters building and to retain its corporate headquarters and the associated employment within the City, the City would:

- Provide an Economic Development Grant to be paid over 15 years, with an amount equal to 50% of the project generated tax increment in each fiscal year to be paid to American Republic in two equal semi-annual installments.
- Provide a LEED Incentive Grant to be paid in 10 annual installments of \$25,000;
- Consider allowance of urban renewal construction period tax abatement on the value added by the renovations; and,
- Support American Republic's application to the Iowa Economic Development Authority ("IEDA") for Brownfield-Grayfield Tax Credits,

all as more specifically described in the accompanying Council Communication; and,

WHEREAS, American Republic has requested that the City sign as a sponsor in support of its application to the IEDA for Brownfield-Grayfield Tax Credits and other state assistance.

Date June 9, 2014

(Council Communication No. 14- **284**)

IT IS THEREFORE MOVED by _____ to:

- i) Receive, file and approve the preliminary terms of agreement as set forth in the accompanying Council Communication;
- ii) Direct the City Manager to proceed with negotiation of a formal agreement with American Republic Insurance Company consistent with the terms set forth in the accompanying Council Communication; and,
- iii) Authorize and direct the City Manager to sign the statement in American Republic's application to the IEDA for Brownfield-Grayfield Tax Credits and other state assistance, expressing the City's support and sponsorship of the application.

FORM APPROVED:

Roger K. Brown

Roger K. Brown

Assistant City Attorney

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COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GATTO				
GRAY				
HENSLEY				
MAHAFFEY				
MOORE				
TOTAL				

MOTION CARRIED

APPROVED

Mayor

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

City Clerk