CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: Approval of State Economic Development Financial Incentives Assistance – HyVee **DATE:** March 9, 2015

Resolution - Approving the IEDA application, and authorizing the Mayor to sign the IEDA application

FINANCIAL IMPACT: The City anticipates using TIF revenues to finance an economic development grant of $1,200,000 - $2,000,000 to the developer to serve as the required match for financial assistance provided by IEDA. These expenditures will be funded by future incremental property tax revenues generated by properties within the Westown V Urban Renewal Area.

BACKGROUND: HyVee intends to construct an approximately $4.5 million addition to their conference center and an approximately $13.8 million addition to the office space at their existing facility located on Westown Parkway, which is within the Westown V Urban Renewal Area. They are seeking financial assistance from the Iowa Economic Development Authority (IEDA). HyVee intends to create 102 new jobs. Through IEDA's High Quality Jobs Program, the company is seeking sales tax rebate on construction materials and investment tax credit. The IEDA program requires a local match. That requirement is met by offering 5 years of tax rebate on a sliding scale (first year = 75% refund; second year = 60% refund; third year = 45% refund; fourth year = 30% refund; fifth year = 15% refund), which is a typical match for this IEDA program.

The Westown V Urban Renewal Plan will need to be amended to allow for an economic development grant of up to $2,000,000 on HyVee's $18.3 million investment. Presently the Plan allows for an expenditure of up to $400,000.

OUTSTANDING ISSUES (if any): There are no outstanding issues.

RECOMMENDATION: That the City Council pass a resolution, authorizing the Mayor to sign the application and directing the City Manager or his designee to act as the City's authorized representative in the filing of the application.

Lead Staff Member: Naomi Hamlett, AICP, Community and Economic Development NH

STAFF REVIEWS

Department Director	Clyde E. Evans, Director, Community and Economic Development CEE
Appropriations/Finance	TS
Legal	JBW
Agenda Acceptance	MA

PUBLICATION(S) (if applicable)

Published In	N/A
Dates(s) Published	N/A

SUBCOMMITTEE REVIEW (if applicable)

Committee	Finance & Administration	
Date Reviewed	February 25, 2015	
Recommendation	☑ Yes	☐ No

Attachments: Exhibit I – Economic Development Financial Assistance Application – Signature Page
Exhibit II – Resolution

EXHIBIT I

For the Business:

Signature 2/27/2015 Date

Michael D Skokan EVP, CFO, Treasurer
Name and Title (typed or printed)

For the Sponsor(s):

Signature Date

Name and Title (typed or printed)

IEDA will not provide assistance in situations where it is determined that any representation, warranty, or statement made in connection with this application is incorrect, false, misleading or erroneous in any material respect. If assistance has already been provided prior to discovery of the incorrect, false, or misleading representation, IEDA may initiate legal action to recover incentives and assistance awarded to the Business.

EXHIBIT II

Prepared by: NHamlett, Community and Economic Development. P.O. Box 65320. West Des Moines, IA 50265-0320. 515-273-0770
When Recorded, Return to: City Clerk. City of West Des Moines and P.O. Box 65320. West Des Moines. IA 50265-0320

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST DES MOINES, IOWA AUTHORIZING THE MAYOR TO SIGN THE APPLICATION AND THE CITY MANAGER TO ACT ON THE CITY'S BEHALF REGARDING THE ECONOMIC DEVELOPMENT FINANCIAL ASSISTANCE CONTRACT FOR HYVEE WITH THE IOWA ECONOMIC DEVELOPMENT AUTHORITY (IEDA) FOR ASSISTANCE UNDER THE HIGH QUALITY JOB PROGRAM (HQJP)

WHEREAS, HyVee proposes the construction of a conference space and office addition with, when completed, approximately $18.3 million in taxable property valuation;

WHEREAS, the City Council of the City of West Des Moines on March 9, 2015, directed staff to file a formal application with the IEDA for financial assistance in support of HyVee within West Des Moines, Iowa.

WHEREAS, the applicant has agreed to sign a development agreement, which will allow for a 5-year sliding scale property tax rebate on the construction improvements and require the creation of 102 jobs;

WHEREAS, the City is prepared to pay up to $2,000,000 in the form of an economic development grant, based on a 5-year sliding scale of property tax rebate to meet the local match requirement for IEDA's High Quality Jobs Program;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WEST DES MOINES DOES AS FOLLOWS:

SECTION 1. The City Council authorizes the Mayor to sign the formal application for financial assistance to assist HyVee.

SECTION 2. The City Council authorizes the City Manager to file the formal application with IEDA and sign all pertinent papers on behalf of the City as it relates to this application.

SECTION 3. The City is required to provide a local match, which is satisfied with the property tax rebate of up to $2,000,000.

PASSED AND APPROVED on the 9th day of March, 2015.

_____
Steven K. Gaer, Mayor

ATTEST:

_____
Ryan T. Jacobson
City Clerk