CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: Approval of State Economic Development Financial Incentives Assistance – The IMT Group **DATE:** October 31, 2016

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

FINANCIAL IMPACT: The City anticipates using TIF revenues to finance an economic development grant of $1,468,639. This will serve as the required local match for financial assistance provided by IEDA. This expenditure will be funded by future incremental property tax revenues generated by the improvements to this property. In addition, the IMT Group is looking for assistance in construction of public infrastructure associated with the project development, namely construction of Coachlight Drive, a north-south street, and the widening of Mills Civic Parkway adjacent to their site. The cost associated with these projects is unknown at this time. The IMT Group has agreed to a minimum assessment agreement as part of the development agreement which would be adequate to cover the cost of the street improvements.

BACKGROUND: The IMT Group (IMT), an insurance company, intends to undertake the construction of an approximately 85,000 square foot office building with an approximate value of $27,772,500. This project site is within the Jordan Creek Urban Renewal Area. IMT is seeking financial assistance from the Iowa Economic Development Authority (IEDA). They intends to create 33 new jobs. Through IEDA's High Quality Jobs Program, the company is seeking a sales tax rebate on construction materials, and an investment tax credit.

The IEDA program requires a local match. That requirement is met by offering a five (5) years sliding scale property tax rebate (first year = 75% rebate; second year = 60% rebate; third year = 45% rebate; fourth year = 30% rebate; fifth year = 15% rebate), which is a typical match for this IEDA program.

Presently, the project is within the Jordan Creek Urban Renewal Plan, however the Urban Renewal Area will be expiring May 30, 2020. Therefore, we will need to create a new urban renewal area to cover the project area in order for the plan to be in effect for the full time of the future development agreement.

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

RECOMMENDATION: That the City Council pass a resolution, authorizing the Mayor Pro Tem 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: Clyde E. Evans, AICP, Community and Economic Development

STAFF REVIEWS

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

PUBLICATION(S) (if applicable)

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

SUBCOMMITTEE REVIEW (if applicable)

Committee	Finance & Administration		
Date Reviewed	October 28, 2016		
Recommendation	☑ Yes	☐ No	

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

SECTION H

Certification & Release of Information

1. Are there any judgments or court actions completed or pending against the applicant entity, or any current or prospective officer, principal, director, or owner? ☐ Yes ☒ No
2. Has any current or prospective officer, principal, director, or owner been accused or convicted of any wrongdoing or crime, other than a simple misdemeanor? ☐ Yes ☒ No
3. Have there been any current or past bankruptcies on the part of the applicant entity (or predecessor entities), or on the part of any current (or prospective) officer, principal, owner or in any business dealings of current (or prospective) officers, principals, or owners of the applicant entity? ☐ Yes ☒ No
4. In the last five years have there been, or are there currently any investigations of potential violations of public health, safety (including workplace safety) or environmental laws by the applicant entity, or any current or prospective officer, principal, director, or owner? ☐ Yes ☒ No
5. In the last five years have there been, or are there currently any violations of antitrust laws by the applicant entity, or any current or prospective officer, principal, director, or owner? ☐ Yes ☒ No
6. *If yes to any of the above, please provide additional explanation:*

I hereby give permission to the Iowa Economic Development Authority (IEDA) to research the Business' history, make credit checks, contact the Business' financial institutions, insurance carriers, and perform other related activities necessary for reasonable evaluation of this application. I also hereby authorize the Iowa Department of Revenue to provide to IEDA state tax information pertinent to the Business' state income tax, sales and use tax, and state tax credits claimed.

I understand that all information submitted to IEDA related to this application is subject to Iowa's Open Record Law (Iowa Code, Chapter 22), unless specifically marked as confidential section.

I understand that IEDA reserves the right to negotiate the financial assistance.

I understand this application is subject to final approval by IEDA and the Project may not be initiated until final approval is secured. Furthermore, I am aware that funds will not be disbursed until a contract has been executed and the appropriate terms have been met.

I understand that upon execution of the contract and prior to the issuance of a tax credit number or the disbursement of Award Funds, a recipient shall pay IEDA a one-time compliance cost fee in the amount of $500. In addition, if tax benefits are greater than $100,000, the Recipient shall remit to IEDA a compliance cost fee 0.5% of the value of the Tax Incentives claimed pursuant to the contract. The fee will be due and payable upon filing the Recipient's annual tax return for each tax year in which tax credits are claimed under the contract.

I hereby certify that all representations, warranties, or statements made or furnished to IEDA in connection with this application are true and correct in all material respect. I understand that it is a criminal violation under Iowa law to engage in deception and knowingly make, or cause to be made, directly or indirectly, a false statement in writing for the purpose of procuring economic development assistance from a state agency or subdivision.

For the Business:

Sean Kennedy 10-24-16
Signature Date

Sean Kennedy, President & CEO
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.

Prepared by: C.Evans, 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 PRO TEM TO SIGN THE APPLICATION AND THE CITY MANAGER TO ACT ON THE CITY'S BEHALF REGARDING THE ECONOMIC DEVELOPMENT FINANCIAL ASSISTANCE FOR THE IMT GROUP WITH THE IOWA ECONOMIC DEVELOPMENT AUTHORITY (IEDA) FOR ASSISTANCE UNDER THE HIGH QUALITY JOB PROGRAM (HQJP)

WHEREAS, The IMT Group (IMT), an insurance company, intends to undertake the construction of an approximately 85,000 square foot office building with an approximately value of $27,772,500. IMT proposes to construct their new corporate offices on a parcel of land located on the north side of Mills Civic Parkway and just east of 81st Street;

WHEREAS, the City Council of the City of West Des Moines on October 31, 2016, directed staff to file a formal application with the IEDA for financial assistance in support of The IMT Group 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 33 jobs;

WHEREAS, the City is prepared to pay up to $1,468,639 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 Pro Tem to sign the formal application for financial assistance to assist The IMT Group.

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 $1,468,639.

PASSED AND APPROVED on the 31st day of October, 2016.

_____
James Sandager, Mayor Pro Tem

ATTEST:

_____
Ryan T. Jacobson
City Clerk