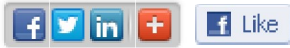


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# Business Record

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## Merchants Bonding chief explains move to WDM

BY KENT DARR | Senior Staff Writer | @KentDarr

Chat with Larry Taylor for just a few minutes and you get the clear impression that this is a successful Greater Des Moines businessman who doesn't like to stir a hornet's nest.

In fact, he recently felt stung after his efforts to find a new corporate campus for Merchant's Bonding Co. came under some criticism for using state funds to help the company's move from Des Moines, where it has deep roots, to West Des Moines.

Taylor points out that city of Des Moines staff and property owners went to great lengths to find a suitable site. There was one big problem, though. Taylor and his board sought an area large enough to accommodate a campus-like setting. And, he didn't want to be downtown.

According to other accounts of his search, Taylor looked at sites south of Martin Luther King Jr. Parkway and other Des Moines properties.

"Our first choice was to stay in Des Moines," Taylor said. "We spent over a year considering other locations in Des Moines, but we did not want to be right downtown. We've always had our own parking. ... It would have been a big change."

Proposed developments near some of the sites Taylor viewed were not in keeping with the type of location he wanted.

Instead, Merchants Bonding entered an agreement with Ryan Companies US Inc. to build a 53,000-square-foot office building on seven acres of land at 6770 Westown Parkway in West Des Moines. The land overlooks a lake and was once part of the former Regency development companies' land holdings.

Ryan will own the land, which is spacious enough to accommodate at least another 17,000-square-foot building, and lead the construction.

Taylor pointed out that other financial companies are located nearby, so Merchants Bonding and its 103-person workforce will feel right at home. Merchants Bonding is the state's largest provider of surety bonds and the 14th largest in the nation. It also has offices in Seattle, Kansas City, Kan., Dallas/Fort Worth and Austin, Texas. At one time, the company considered moving its home office to one of those cities, but the preference was to stay in Greater Des Moines.

The company has no room for expansion at its current location at 2100 Fleur Drive, Taylor said. Taylor expects Merchants Bonding's Greater Des Moines employment to grow by up to 12 people over the next three years.

On Sept. 19, the Iowa Economic Development Authority board approved \$558,072 in High Quality Jobs tax credits that would support the creation of 12 new jobs.

On Aug. 25, the West Des Moines City Council approved a five-year, sliding-scale tax rebate for the Merchants Bonding development, which at the time was called Project Lakeview, in order to match the state grant. The city would refund 75 percent of property taxes in the first year, 60 percent in the second year, 45 percent in the third year, 30 percent in the fourth and 15 percent in the fifth.

In addition, the city's Plan and Zoning Commission considered amending an urban renewal plan for the area that would increase the amount of future economic development grants available to businesses that might locate in the area to \$400,000 from \$100,000, increase the cap for the burial of electrical utilities to \$3 million from \$2 million and add more than \$3 million in a variety of street and traffic-control improvements.

From Taylor's viewpoint, the move should be viewed as a win for Greater Des Moines, not as a slight to Des Moines.

"We're an employer that is growing in the community; we are still going to use the amenities that are available," Taylor said. "What is going on in Des Moines is just outstanding; anyone can see that."

Taylor also points out that Merchants Bonding is an active fundraiser for community projects. Every other year, the company hosts the Bill Warner Sr. Memorial Golf Outing, named for Taylor's uncle, to raise funds for good causes. This year's event was held Monday at Wakonda Club and raised \$120,000 for the neonatal intensive care unit at Blank Children's Hospital. In 2012, the event raised \$105,000 for Youth Homes of Mid-America in Johnston.