

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

00-232

SYNOPSIS -

AGENDA:

MAY 22, 2000

SUBJECT:

CEBA APPLICATION
AND CITY LOAN
FOR NATIONJOB,
INC.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

RICHARD CLARK
DEPUTY CITY
MANAGER

Michael Ryan, Office of Economic Development, has been working with NationJob, Inc., which is located at 601 S.W. 9th Street, Suites J & K. The principals of the company are Robert Levinstein, residing at 673 - 61st Street, Des Moines; Ralph Hejlik, 4012 Maple, West Des Moines; and Hyman Levinstein, residing in Berkeley Heights, NJ.

The company has outgrown its leased space and needs to expand into adjoining space. This expansion and attendant business growth will require \$704,075 for leasehold improvements, new equipment, furniture and fixtures. The company can provide \$454,075 through cash reserves and operating capital, and Norwest Bank will increase its credit line to the company by \$100,000. The company needs to conserve its working capital and is seeking gap financing from the City and the State. Each is requested to provide a \$75,000 no interest loan to be repaid over a seven-year term.

The company proposes to add 34 new jobs averaging \$14.11 per hour. The company also provides health insurance and leave benefits.

FISCAL IMPACT -

The City loan will be funded through Economic Development Enterprise Account funds. The loan will be secured by subordinate lien on business assets and personal guaranties from the principals.

RECOMMENDATION -

Approval.

BACKGROUND -

NationJob, Inc. is an internet recruiting firm. The company originated in California in 1988 and used personal computer to advertise job openings at a number of venues. The company moved to Iowa in 1992, and internet service debuted in 1995. The company has a nation-wide customer base, and has become an innovator of internet-based job listing and search services. NationJob, Inc. offers its services to job seekers, businesses, and communities.

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