

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

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

00-574

SYNOPSIS -

AGENDA:

DECEMBER 18, 2000

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

SUBJECT:

CITY LOAN FOR
NATIONJOB, INC.

On May 22, 2000, by Roll Call No. 00-1540, City Council gave preliminary approval to a \$75,000 loan to the company as part of a \$704,075 project. The State of Iowa has also funded a \$75,000 loan to the company.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

The company proposes to add 34 new jobs averaging \$14.11 per hour. The company also provides health insurance and leave benefits. The company already has a \$45,000 loan from the City funded in 1997. The loan is current and scheduled to be repaid in 2002. For this original loan, the company pledged to increase its workforce to 42 people. As of September 30, 2000, it had exceeded that goal with an employee count of 69 people.

SUBMITTED BY:

RICHARD CLARK
DEPUTY CITY
MANAGER

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. The \$75,000 no interest loan will be repaid over a seven-year term.

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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