

Meeting Agendas/Info

CITY COUNCIL COMMUNICATION:	ITEM _____
01-602	OFFICE OF THE CITY MANAGER CITY OF DES MOINES, IOWA
AGENDA:	SYNOPSIS -
DECEMBER 3, 2001	By Roll Call No. 97-3941, dated December 8, 1997, City Council approved a \$200,000 loan to Trans-Lux Midwest Corporation as part of a \$3,650,000 expansion project. The Company pledged to retain its existing workforce of 67 and create 65 new jobs for a total of 132 jobs by December 31, 2000. By Roll Call No. 01-728, dated March 12, 2001, City Council approved an extension of the job attainment date to December 31, 2001.
SUBJECT: EXTENSION OF JOB ATTAINMENT DATE FOR TRANS-LUX MIDWEST CORPORATION	The Company has met its job retention obligation and has created 30 new positions for a total of 97 jobs. The Company is requesting a one-year extension to December 31, 2002 to meet its employment goals. The state and county are also requested by the Company to grant the same time extension.
TYPE:	
<u>RESOLUTION</u> ORDINANCE RECEIVE/FILE	FISCAL IMPACT - None.
SUBMITTED BY: RICHARD CLARK DEPUTY CITY MANAGER	RECOMMENDATION - Approval.
	BACKGROUND - Trans-Lux Midwest Corporation is a wholly owned subsidiary of Trans-Lux Corporation based in Norwalk, Connecticut. It was formed in 1997 to acquire the assets of Fairtron Corporation, which was struggling financially at that time. The company operates plant facilities at 1700 Delaware and 2245 Dean Avenue. The Des Moines plants are primarily involved in the manufacture of scoreboards and related electronic display products marketed under the trade name Fair-Play.

As part of the acquisition, the company undertook a new product development effort to make the Fair-Play products competitive in the scoreboard and message center market. The effort to develop new products and re-engineer the existing products to meet the market requirements and to gain market share on their competitors took substantially longer than anticipated. In addition, the Company has been working to expand its national distribution system by adding new distributors in important market areas.

The Company believes that these actions have positioned them for future growth, and anticipates meeting their job attainment goal in the future. The Company recently renewed the lease on the Dean Avenue facilities for an additional five years and negotiated the right to expand into additional space at this location to support anticipated growth.
