

## Meeting Agendas/Info

**CITY COUNCIL  
COMMUNICATION:**

**ITEM \_\_\_\_\_**

**01-605**

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

**AGENDA:**

DECEMBER 3, 2001

**SUBJECT:**

COLOR  
CONVERTING  
INDUSTRIES  
EXTENSION OF JOB  
ATTAINMENT TO  
DECEMBER 31, 2002

**TYPE:**

**RESOLUTION  
ORDINANCE  
RECEIVE/FILE**

**SUBMITTED BY:**

RICHARD CLARK  
DEPUTY CITY  
MANAGER

**SYNOPSIS -**

On April 6, 1998, by Roll Call No. 98-1048, the City Council approved a City economic development forgivable loan for \$348,533 and a \$750,000 State of Iowa Community Economic Betterment Account (CEBA) loan to Color Converting Industries, Inc. as assistance in the construction of a new corporate headquarter and manufacturing facility located at 3535 SW 56th Street, Des Moines.

The Company pledged to retain its existing workforce of 118 at an average wage of \$17.93 per hour plus benefits and create 97 new jobs at an average wage of \$18.18 per hour plus benefits for a total of 215 jobs. For the CEBA loan, the new jobs were to be created within three years of the CEBA approval date (December 31, 2000) and for the City loan within three years of occupying their new facility (June 30, 2002).

The Company has experienced delays in reaching its anticipated production capacity and employment levels at the new facility. The Company has met its job retention and average wage rate obligations and has created 14 new positions. The Company has requested an extension in the job attainment date to December 31, 2002.

Changes in the ink industry have increased focus on consolidation of manufacturers, improving productivity, and developing lower-cost manufacturing capacity, all of which have restricted the Company's new job growth. Implementation of a new sales and service approach is resulting in huge sales increases, which is requiring increased levels of capital expenditures for additional production lines at the Des Moines facility and will act as catalysis for further new job growth. The requested extension will allow the Company time to further implement these positive changes and work toward meeting its job attainment obligations.

The Company has requested the same time extension on the State of Iowa CEBA loan.

**FISCAL IMPACT -**

None.

**RECOMMENDATION -**

**Approval.**

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