



**CITY COUNCIL
COMMUNICATION:**

ITEM _____

02-310

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

AGENDA:

SYNOPSIS -

JUNE 17, 2002

On the June 17, 2002 City Council agenda is a roll call approving a City Economic Development Loan and related documents to Hicklin Engineering, L.C. in the amount of \$20,000.

SUBJECT:

CITY ECONOMIC
DEVELOPMENT
LOAN-HICKLIN
ENGINEERING, L.C.

Hicklin Engineering, L.C. (Scott Giles, President and John Smidt, Vice President, 4060 Dixon, Des Moines) is proposing a \$240,000 project that will add ten additional jobs at an average wage of \$13.22 per hour, plus benefits. Hicklin Engineering provides benefits which include emergency leave, paid holidays, paid vacation, sick leave, unemployment insurance, life insurance, health insurance, long-term disability insurance, a flexible spending account for medical expenses, and a 401K retirement plan. The project will consolidate the company operations in Sparks, NV to 4060 Dixon, Des Moines; it entails additional remodeling of the facility at 4060 Dixon, purchasing equipment, and hiring/retraining new personnel.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

FISCAL IMPACT -

SUBMITTED BY:

RICHARD CLARK
DEPUTY CITY
MANAGER

The City Economic Development Loan for \$20,000 will be funded out of the Economic Development Enterprise Account and repaid at zero interest over 60 months.

RECOMMENDATION -

Approval.

BACKGROUND -

By Roll Call No. 01-3559, dated December 3, 2001, Council approved a State of Iowa Community Economic Betterment Account (CEBA) Loan in the amount of \$40,000 (½ forgivable and ½ repayment loan) and a City forgivable loan in the amount of \$10,000 to assist Hicklin Engineering to consolidate a facility in Green Bay,

WI to Des Moines. The consolidation of the Green Bay facility created 20 new jobs in Des Moines with an average wage of \$13.61 per hour plus benefits.

Hicklin Engineering, L.C. manufactures capital equipment and parts for rebuilding transmissions and torque converters. The end market includes vehicles ranging from heavy-duty military and off-road equipment to light-duty trucks and passenger cars.

The primary owners of Hicklin, Inc. are Scott Giles, President and John Smidt, Vice President. The minority shareholders are primarily Cedar Rapids-based venture capital firms.
