

**CITY COUNCIL  
COMMUNICATION:**

**03-196**

**AGENDA:**

MAY 5, 2003

**SUBJECT:**

QWEST APPLICATION  
FOR ENTERPRISE  
ZONE BENEFITS

**TYPE:**

**RESOLUTION**  
ORDINANCE  
RECEIVE/FILE

**SUBMITTED BY:**

RICHARD CLARK  
DEPUTY CITY  
MANAGER

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

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

**SYNOPSIS —**

On the May 5, 2003 Council agenda is a roll call that recommends approval of Qwest's application for Enterprise Zone benefits. Max Phillips is the President of the Iowa Policy and Law Division of Qwest in Des Moines, Iowa, who is authorized to sign the Enterprise Zone application. The company provides local phone, long distance phone, and data and internet services. Qwest serves 14 states, including Iowa, Nebraska, North Dakota, South Dakota, Minnesota, Arizona, New Mexico, Colorado, Utah, Wyoming, Montana, Idaho, Oregon, and Washington. Qwest plans to purchase equipment and renovate its existing facility at 925 High Street in order to create a new type of customer service center. The company intends to invest \$800,000 and create 136 jobs in spring/summer 2003. The average wage for these positions will be approximately \$15.02/hour with an extensive benefit package. Employees may obtain additional compensation through bonuses and incentives. Ellen Walkowiak with the City's Office of Economic Development is coordinating the City activities for this project.

**FISCAL IMPACT —**

Qwest will be eligible for up to \$80,000 of investment tax credits as well as job training assistance from the State of Iowa Enterprise Zone Program. These benefits are important to their location decision.

**RECOMMENDATION —**

**Approval.**

**BACKGROUND —**

Qwest plans to create a new customer service center at 925 High Street in the Gateway Enterprise Zone. This center is designed to improve customer service, extend the customer relationship, and secure product loyalty by solving communications-related problems and meeting customer needs more effectively. It will serve to retain customers in the above-referenced 14-state area and replace work currently outsourced.

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The company intends to purchase and install 136 workstations and associated equipment, as well as renovate its existing facility in spring/summer 2003. Qwest's success will result in potentially creating more jobs and in developing additional customer service centers in Des Moines and in other parts of the state. Qwest has over 2,000 employees in Iowa. The company has invested more than \$600 million in Iowa within the last four years. Qwest will also employ a majority of Iowa-based contractors to complete the renovation.

The Des Moines Enterprise Zone Commission requires businesses expanding in the Gateway Enterprise Zone to meet with the appropriate neighborhood association. On April 14, 2003, the President of the Downtown Neighborhood Association wrote a letter supporting this project. The Commission is planning to review Qwest's application for Enterprise Zone benefits on May 6, 2003.

Qwest is involved in one of three industry clusters the State of Iowa is focused on expanding. Its expansion in downtown Des Moines may act as a catalyst to create additional customer service centers in the Central Business District and enhance the market for downtown housing.

