

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	March 12, 2012
	Agenda Item No.	24
	Roll Call No.	<u>12-0397</u>
	Communication No.	<u>12-123</u>
	Submitted by:	Terrance N. Vorbrich, Acting Economic Development Administrator

AGENDA HEADING:

Resolution to approve submission of an application to the Iowa Economic Development Authority for direct financial assistance and to give preliminary approval for a local contribution from the City of Des Moines for Mortgage Compliance Advisors, LLC.

SYNOPSIS:

Mortgage Compliance Advisors, LLC (Jeff Christensen, CEO, 5505 South 900 East, Suite 300, Salt Lake City, UT) is a Salt Lake City, Utah based company looking to open a production center in the City of Des Moines. The company is reviewing possible locations for this expansion in Des Moines and Minneapolis, MN.

Mortgage Compliance Advisors anticipates the creation of up to 150 new full-time positions over the next three years at the production center. Annual compensation on the full-time positions to be created range from \$25,000 per year to \$49,400 per year, with a projected average over all positions around \$36,500 per year. Additionally, the company provides full-time employees health and dental insurance benefits.

The Company estimates an investment of approximately \$1.3 million in leasehold improvements, furniture, fixtures, equipment and training costs to open the center. To assist in the expansion, Iowa Economic Development Authority staff have proposed financial assistance in the amount of \$250,000 of which ½ would be repaid to the State and ½ would be forgiven if the company meets the anticipated investment, job creation, wage and benefit goals. The State of Iowa financial assistance program requires a local community sponsor and a 20% match of the state award. The City’s Office of Economic Development is recommending a \$50,000, zero interest rate loan to assist the project in locating within the City of Des Moines. With State of Iowa and City of Des Moines assistance, the company has agreed to move forward with the expansion in the City of Des Moines.

FISCAL IMPACT:

Amount: \$50,000 zero interest rate loan to be repaid over the proposed lease term

Funding Source: FY 2012-2013 Adopted Operating Budget, Economic Development Enterprise Fund, SP743, CMO0980717, page 42.

ADDITIONAL INFORMATION:

Mortgage Compliance Advisors, LLC is a company that provides mortgage compliance and quality control outsourcing solutions for organizations that originate service, invest in or securitize mortgage loans. The production center will focus on mortgage file reviews, data entry and validation of mortgage data. The company serves a national customer base that includes community, regional and national banks, credit unions, retail lenders, wholesale lenders, and correspondent lenders.

The company has looked at several sites in the greater Des Moines metro area. The company has narrowed its site selection to 47,000 square feet of office space located at 5701 Park Avenue (former RR Donnelly plant). The company's project budget estimates a \$1.3 million investment in leasehold improvements, furniture, fixtures and equipment to open the center at 5701 Park Avenue.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Approval of Iowa Economic Development Authority and City of Des Moines Development Agreements with Mortgage Compliance Advisors, LLC.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the second floor of City Hall, 400 Robert D. Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.