

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b>	May 21, 2012
	<b>Agenda Item No.</b>	<b>32</b>
	<b>Roll Call No.</b>	<b><u>12-0793</u></b>
	<b>Communication No.</b>	<b><u>12-249</u></b>
	<b>Submitted by:</b>	<b>Terrance N. Vorbrich, Acting Economic Development Administrator</b>

**AGENDA HEADING:**

Resolution approving documents for a City of Des Moines Action Loan Fund Loan for \$100,000 to Mortgage Compliance Advisors, LLC.

**SYNOPSIS:**

Mortgage Compliance Advisors, LLC, Jeff Jensen, President, 5505 South 900 East, Suite 300, Salt Lake City, Utah, is a Salt Lake City, Utah based company looking to open a production center in the City of Des Moines. The company reviewed locations for this expansion in Des Moines, Iowa and Minneapolis, Minnesota.

Mortgage Compliance Advisors, LLC, 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 of 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. The City’s Office of Economic Development is recommending a \$100,000, zero interest rate loan to assist in locating the project in the City of Des Moines. With City of Des Moines’ assistance, the company has agreed to move forward with the expansion in the City of Des Moines.

**FISCAL IMPACT:**

Amount: \$100,000.00 zero interest rate loan, payments deferred for 24 months with balance paid over remaining term of lease. The Des Moines Action Loan Fund Loan is funded from CDBG funds administered under the Economic Development Financial Assistance Program.

Funding Source: FY 2011-2012 Operating Budget, OED Business Financial Assistance Program, SP020, Org CDD049900, Project ID CDBG2009052, page 57.

**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. The identified office portion of the former RR Donnelly plant has remained unoccupied since RR Donnelly closed. While this space is being renovated for occupancy, Mortgage Compliance Advisors will lease temporary space at 500 SW 7th Street, Des Moines and contemplates relocating to 5701 Park Avenue.

On March 12, 2012, by Roll Call 12-0397, City Council approved submission of an application to the Iowa Economic Development Authority (IDEA) for the State of Iowa direct financial assistance in the amount of \$250,000. In moving through the application process, the IDEA staff withdrew its invitation to submit an application at this time, rather IDEA staff desire the company to re-apply for state assistance once it has established a final location and prepares to hire its second stage of projected job growth.

**PREVIOUS COUNCIL ACTION(S):**

Date: March 12, 2012

Roll Call Number: [12-0397](#)

Action: [Submission](#) of an application to Iowa Economic Development Authority for direct financial assistance and to give preliminary approval for a local contribution from the City for Mortgage Compliance Advisors, LLC to open a production center at 5701 Park Avenue. ([Council Communication No. 12-123](#)). Moved by Hensley to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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