

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	December 17, 2012
	Agenda Item No.	31
	Roll Call No.	<u>12-1942</u>
	Communication No.	<u>12-623</u>
	Submitted by:	Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Resolution to approve submission of an application to the Iowa Economic Development Authority for direct financial assistance for Mortgage Compliance Advisors, LLC.

SYNOPSIS:

On May 21, 2012, by Roll Call No. 12-0793, City Council approved a City loan of \$100,000 under the CDBG funded Des Moines Action Loan Fund to Mortgage Compliance Advisors, LLC, Jeff Jensen, President, 5505 South 900 East, Suite 300, Salt Lake City, Utah, to assist in opening a production center in Des Moines. The production center opened in a temporary space at 500 SW 7th, Suite 303, and presently employs 50 full-time workers. The Company is putting into motion the next phased expansion and is currently reviewing larger facilities in the city of Des Moines. With the next phase of growth, the company anticipates the creation of an additional 150 new full-time positions over the next three (3) years bringing total employment to 200 in Des Moines. Annual compensation on the full-time positions to be created ranges from \$41,000 per year to \$53,000 per year, plus the company provides full-time employees health and dental insurance. The Company estimates an investment of approximately \$2.3 million in leasehold improvements, furniture, fixtures, equipment, training costs and working capital over the next three (3) years to facilitate this second phase of growth.

Mortgage Compliance Advisors is asking the City to sponsor an application to the Iowa Economic Development Authority for \$200,000 in direct state financial assistance in the form of a ½ repayment loan and ½ forgivable loan to support the company’s second phase of growth. The City’s Office of Economic Development is recommending the City’s sponsorship of the State of Iowa Application with the City’s earlier approved City loan of \$100,000 as the state’s required local match.

FISCAL IMPACT: NONE

ADDITIONAL INFORMATION:

Mortgage Compliance Advisors, LLC (Jeff Jensen, President) is a Salt Lake City, Utah based company that opened a production center in the City in May 2012. The company provides mortgage compliance and quality control outsourcing solutions for organizations that originate, service, invest in, or securitize mortgage loans. The production center focuses 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 City provided a \$100,000 loan under the CDBG funded Des Moines Action Loan Fund to assist in opening the Des Moines production center. Minneapolis, MN was also under consideration for this facility.

PREVIOUS COUNCIL ACTION(S):

Date: May 21, 2012

Roll Call Number: [12-0793](#)

Action: [Documents](#) for a City of Des Moines Action Loan Fund Loan to Mortgage Compliance Advisors, LLC, \$100,000. ([Council Communication No. 12-249](#)). Moved by Hensley to approve. Motion Carried 7-0.

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:

Approval of Iowa Economic Development Authority Funding Agreements.

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 first 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.