

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	March 9, 2015
	Agenda Item No.	43
	Roll Call No.	<u>15-0401</u>
	Communication No.	<u>15-120</u>
	Submitted by:	Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Resolution approving sponsorship of an application for financial assistance to the Iowa Economic Development Authority (IEDA) under the High Quality Jobs (HQJ) Program for Pillar Technology LLC, and Preliminary approval of a City loan of \$40,000 to Pillar Technology LLC.

SYNOPSIS:

Pillar Technology, LLC is a high-tech computer software firm with 150 employees and facilities in Columbus, OH, Ann Arbor, MI, and Palo Alto, CA. The company is considering opening a new Iowa regional facility at 1420 Locust that would employ up to 49 technology staff over the next three (3) years paying an estimated average of \$81,000 per year. The company is working on the submission of an application to the IEDA under the HQJ Program for IEDA Board action at its March 27, 2015 meeting. IEDA staff estimates that the company may qualify for up to \$200,000. The HQJ Program requires a local community match of at least 20% of the state award. OED staff are recommending preliminary approval of the City’s participation in the proposed financial assistance package of \$40,000, which meets the IEDA program requirements and brings the proposed total assistance to \$240,000. Upon the receipt and review of the complete HQJ application by IEDA and City staff, the terms and conditions of the proposed financial assistance package will be negotiated with Pillar Technology. If the proposed financial assistance is approved by the City Council and IEDA Board, the company has indicated they will move forward in establishing the company’s new location in downtown Des Moines.

FISCAL IMPACT:

Amount: \$40,000

Funding Source: Economic Development Enterprise Account

ADDITIONAL INFORMATION:

Pillar Technology, LLC is a high-tech computer software firm. This privately held company is 20 years old, has 150 employees and has seen its business increase by 25% annually in recent years. Pillar Technology is on Columbus Business First Fast Fifty and the Inc. 5000 list for fast growing private companies. Pillar Technology serves large Fortune 500 companies and can do so from any location they choose based upon the use of technology that connects their engineers with customers. Based upon the location of new customers and the demographic and workforce makeup of the Des Moines, Iowa region, Pillar Technology is considering opening a Des Moines region office. The Company has submitted a proposal to lease 7,600-square-feet of office space at 1420 Locust Street

subject to approval of the proposed financial assistance package. The company estimates a capital investment in tenant improvements, computer hardware and software, furniture and fixtures of approximately \$675,000. Additionally, Pillar Technology is considering the creation of a venture capital fund to work in tandem with the potential new location as part of its effort to be a leader in the region and the state's high-tech industry.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Final approval of documents related to the City loan and an IEDA High Quality Jobs Program award to Pillar Technology, 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 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.