

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	April 9, 2018
	Agenda Item No.	34
	Roll Call No.	<u>18-580</u>
	Communication No.	<u>18-162</u>
	Submitted by:	Erin Olson-Douglas, Economic Development Director

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 The Printer Inc. (TPI).

SYNOPSIS:

TPI (currently at 1220 Thomas Beck Road; Lisa Wells, Chief Administrative Officer) is requesting City sponsorship of a financial assistance application under the IEDA’s HQJ Program. TPI intends to purchase property at 2550 Gannett; construct a 75,000-square-foot facility; and move operations from its existing 61,000 square feet leased space on Thomas Beck Road. The application indicates that TPI will be investing \$12.8 million in the project and creating 15 jobs, with a weighted average of \$24.06. Ten jobs will qualify as high quality jobs with a wage of over \$29.12 within 36 months.

The IEDA Board meeting is scheduled for April 20, 2018. A resolution of support and a local match is required from the City. The local match is to be provided through tax abatement.

FISCAL IMPACT:

Amount: \$1,158,710 estimated value of tax abatement

Funding Source: Tax abatement - 10-year declining schedule

ADDITIONAL INFORMATION:

- TPI is a technology-based direct mail printing company, specializing in producing monthly customer loyalty mailing for the gaming industry, as well as creating digital products, such as mobile apps and e-mails.
- TPI works with over 200 casinos across the U.S. and Canada.
- TPI has no competitors in the state and 95% of sales are outside the state of Iowa.
- TPI employs 157 people, of which 140 people work at the Thomas Beck Road location; five (5) in a temporary downtown office; and one (1) employee remotely in Des Moines. All others work remotely from their homes in different states.

- The 15 new jobs will be positions in Information Technology, project management, sales, bindery, and administrative.

- TPI intends to spend \$12.8 million on the new facility:
 - \$900,000 for land acquisition
 - \$1.8 million for site preparation
 - \$7.7 million for building construction
 - \$2.5 million for machinery and equipment
 - \$200,000 for furniture and fixtures

- The incentive package includes:
 - \$387,000 in investment tax credit from IEDA
 - \$285,000 in sales tax refund from IEDA

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- Approval of 3-party IEDA HQJ contract.

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