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|  <p style="text-align: center;">Council Communication Office of the City Manager</p> | Date: July 9, 2018 |
| | Agenda Item No. 24 Roll Call No. <u>18-1160</u> Communication No. <u>18-353</u> Submitted by: Erin Olson-Douglas, Economic Development Director |

AGENDA HEADING:

Resolution approving economic development assistance contract with the Iowa Economic Development Authority (IEDA), The Printer, Inc., and the City of Des Moines under the High Quality Jobs (HQJ) Program.

SYNOPSIS:

By Roll Call No. 18-0580, dated April 9, 2018, Council approved sponsorship of a financial assistance application under the IEDA’s HQJ Program. The IEDA Board has approved the HQJ application and the contract is being presented for approval and execution by the City. Additionally, a City Development Agreement is being presented for approval and execution that provides for tax abatement as the Community’s required local match to the IEDA award.

The Printer Inc. (hereinafter referenced as “TPI” currently at 1220 Thomas Beck Road; Bill Benskin, President) intends to purchase property at 2550 Gannett to construct a 75,000-square-foot facility and move operations from its existing 61,000 square feet leased space on Thomas Beck Road. TPI will be investing \$12.8 million in the project and creating 15 new jobs, with a weighted salary average of \$24.06 per hour.

FISCAL IMPACT:

Amount:

- A. \$1,158,710 estimated value of tax abatement
- B. \$285,000 IEDA Award – Refund of Sales, Service and Use Taxes
\$387,000 IEDA Award – 3% Investment Tax Credit

Funding Source:

- A. City-wide Urban Revitalization Tax Abatement - 10-year declining schedule
- B. The IEDA Tax Incentive Awards do not affect the general fund

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

PREVIOUS COUNCIL ACTION(S):

Date: April 9, 2108

Roll Call Number: [18-0580](#)

Action: [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). ([Council Communication No. 18-162](#)) Moved by Gatto to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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