

COUNCIL COMMUNICATION

	Number:	26-049	Meeting:	February 23, 2026
	Agenda Item:	28	Roll Call:	26-0245
	Submitted by:	Carrie Kruse, Economic Development Administrator		

AGENDA HEADING:

Items related to OpenLoop Health, Inc.:

(A) Resolution approving termination of Iowa Economic Development Authority (IEDA) contract under the High Quality Jobs (HQJ) Program for OpenLoop Health, Inc.

(B) Resolution approving 1st Amendment to the Development Agreement with OpenLoop Health, Inc.

SYNOPSIS:

On April 10, 2023, the City Council approved a final IEDA contract under the HQJ Program for OpenLoop Health, Inc., that provided for \$500,000 in direct financial assistance from the State of Iowa, as well as a Development Agreement with the City of Des Moines that provided for a forgivable loan of \$250,000 as the local city match for the creation of 400 jobs, 60 of which were anticipated to meet or exceed the state's HQJ wage thresholds.

Several events have transpired over the last two (2) years which have impacted on the company's ability to both recruit and retain local employees. This First Amendment to the Development Agreement provides for a two-year extension for the job creation requirements to July 10, 2028, reduces the number of jobs required from 400 down to 100, updates the description of "Leased Premises" to reflect OpenLoop's relocation from 317 6th Avenue to 909 Locust Street, requires OpenLoop Health Inc. to provide documentation verifying tenant improvement investments of a minimum of \$2.5 million, and requires OpenLoop Health Inc. to make a partial repayment to the City of Des Moines of the economic development forgivable loan in the amount of \$187,500, on or before July 10, 2026.

FISCAL IMPACT:

Amount: 187,500 (revenue)

Funding Source: Forgivable Loan Repayment from OpenLoop, Inc.

ADDITIONAL INFORMATION:

- OpenLoop Health, Inc., continues to experience record growth, 600% year to year, and remains committed to maintaining their world headquarters in Downtown Des Moines, and growing its local workforce.

- In winter 2024, the OpenLoop Tower building at 317 6th Avenue experienced flood damage, which caused extensive interior damage, interrupting building operations and the company's ability to grow their local operations on additional floors of the building to provide workspace for their growing workforce. Further, the company's significant and rapid growth over the past three years has required them to hire talent nationally to continue to meet their client expectations.
- OpenLoop Health, Inc. has signed a new lease for 33,086 square feet of space at 909 Locust Street and is investing substantial capital funds in tenant improvements to build out a work environment to both support their local employee base while providing optional training and meeting space for their growing national workforce. With this training and meeting space, OpenLoop Health, Inc. will continue to showcase Des Moines by hosting both their client base and growing national workforce at their new location.
- OpenLoop Health, Inc., anticipates creating 100 new jobs on or before July 10, 2028, and 60 of those jobs shall meet or exceed the State of Iowa's HQJ wage thresholds for Polk County of \$37.85 per hour or \$78,724 annually to qualify for remaining loan forgiveness.

PREVIOUS COUNCIL ACTION(S):

Date: April 10, 2023

Roll Call Number: [23-0492](#) and [23-0493](#)

Action: Items related to OpenLoop Health, Inc.: ([Council Communication No. 23-195](#))

- (A) [Authorizing](#) City Manager to negotiate and execute an economic development assistance contract between OpenLoop Health, Inc. and IEDA. Moved by Gatto to adopt. Second by Voss. Motion Carried 6-1. Absent: Sheumaker.
- (B) [Development](#) Agreement. Moved by Gatto to adopt. Second by Voss. Motion Carried 6-1. Absent: Sheumaker.

BOARD/COMMISSION ACTION(S): NONE**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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