

**Date** November 9, 2009

**RECOMMENDING APPROVAL OF THE GANNETT SATELLITE INFORMATION NETWORK (GANSAT), INC. APPLICATION TO THE IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT FOR ENTERPRISE ZONE BENEFITS REGARDING A PROJECT IN THE GATEWAY ENTERPRISE ZONE**

WHEREAS, on September 14, 1998 by Roll Call No. 98-2839, the Des Moines City Council established the nine member Des Moines Enterprise Zone Commission (“Commission”) and on June 21, 1999 by Roll Call No. 99-2002, the City Council designated the Des Moines Gateway Enterprise Zone, which the State of Iowa subsequently certified, all pursuant to Iowa Code sections 15E.191-96(2001); and

WHEREAS, the Commission’s authority is independent of the Council, and said Commission is required to review applications primarily for State tax incentives from qualified businesses or housing providers located within or requesting to locate within or develop housing within an enterprise zone in order to encourage new development, and to forward its recommendation to Iowa Department of Economic Development; and

WHEREAS, on January 28, 1999, the Commission adopted a requirement that as part of the application process for benefits in any State of Iowa Enterprise Zone located in Des Moines, businesses and developers must meet with the appropriate neighborhood group to obtain a recommendation on the project; and

WHEREAS, GANSAT, Inc. is a business requesting approval of its application for enterprise zone benefits regarding a project in the State of Iowa Gateway Enterprise Zone; and

WHEREAS, GANSAT, Inc. is proposing to invest approximately \$985,000 to expand the regional toning facility component of the operations at 715 Locust and intends to create 90-110 new jobs within the next three years and retain 12 jobs downtown; and

WHEREAS, GANSAT, Inc.’s application appears to meet all of the requirements for enterprise zone benefits as described in the staff report herein referenced as Exhibit “A”; and

WHEREAS, on November 5, 2009, the Downtown Des Moines Neighborhood Association will meet to review the project and is anticipated to send a letter of support to the City; and

WHEREAS, Council is requested to recommend approval of GANSAT, Inc.’s application for enterprise zone benefits to the Des Moines Enterprise Zone Commission as well as to the Iowa Department of Economic Development, which administers the State of Iowa Enterprise Zone Program.

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NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that:

1. The staff report describing how GANSAT, Inc.'s application meets the requirements for enterprise zone benefits, herein referenced as Exhibit "A", is hereby accepted.
2. GANSAT, Inc.'s application is recommended for approval to the Des Moines Enterprise Zone Commission and to the Iowa Department of Economic Development.
3. The Office of Economic Development is directed to transmit a copy of this Roll Call to the Commission and to the Iowa Department of Economic Development and is directed to conduct project compliance monitoring.
4. Upon approval of the application by the Iowa Department of Economic Development, the Mayor is authorized to execute and the City Clerk is directed to attest to his signature any documents necessary for GANSAT, Inc. to receive enterprise zone benefits.

(Council Communication No. 09-797 Attached)

Moved by \_\_\_\_\_ to approve.

APPROVED AS TO FORM:



Michael F. Kelley  
Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
HENSLEY				
KIERNAN				
MAHAFFEY				
MEYER				
VLASSIS				
<b>TOTAL</b>				

MOTION CARRIED

APPROVED

**CERTIFICATE**

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

<p><b>GATEWAY ENTERPRISE ZONE (EZ-3)</b></p> <p><b>Staff Report Regarding Application for Benefits</b> <b>(Commercial/Industrial Uses)</b></p>
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**Applicant Name:** Gannett Satellite Information Network (GANSAT), Inc.

**Project Location:** 715 Locust Street , Des Moines, Iowa

**Project Summary:**

GANSAT, Inc. is requesting approval of its application for State of Iowa enterprise zone benefits regarding a \$985,000 project to expand operations at 715 Locust Street in the Gateway Enterprise Zone. The company will create 90-110 new jobs and retain 12 jobs downtown.

GANSAT currently employs approximately 76 people in downtown Des Moines. With its proposed project, GANSAT anticipates the creation of 90-110 additional positions over a 3-year period. These new positions will include wages ranging from \$12.84/hour to \$28.31/hour.

Construction is scheduled to start November 2009 with completion in late 2010.

**Meets Statutory Requirements:**

- X            1. Business has not closed or substantially reduced its operation(s) in one area of Iowa and relocated into the Enterprise Zone.
- X            2. Business is not retail or a business whose entrance is limited by a cover charge or membership requirement.
- X            3. Business will provide all new "project" employees with one of the following:
  - X      a. 80% of medical and dental insurance, or
  - \_\_\_\_\_ b. Monetarily equivalent plan as referenced in Item a.
- X            4. Business will pay an average wage of \$18.00/hour for all new full-time project-related positions and no less than \$12.84/hour.

**Average hourly wage for new positions:**   \$18.00/hour  

- X            5. Business is committed to creating a minimum of 10 full-time project-related positions in the enterprise zone within three years of the Iowa Department of Economic Development's approval of the application and will maintain them for at least 10 years.

**Number of full-time positions to be created:**   90-110 jobs within three years (12 jobs retained downtown)  

- X            6. Business will invest a minimum of \$985,000 within three years of the Iowa Department of Economic Development's approval of the application

**New Capital Investment for Purposes of Enterprise Zone Program:**

<i>Building Remodeling</i>	\$160,000
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**GATEWAY ENTERPRISE ZONE (EZ-3)**

**Staff Report Regarding Application for Benefits  
(Commercial/Industrial Uses)**

<i>Machinery &amp; Equipment</i>	\$40,000
<i>Racking, Shelving</i>	\$75,000
<i>Computer Hardware</i>	\$315,000
<i>Computer Software</i>	\$275,000
<i>Furniture and Fixtures</i>	\$120,000
<i>Total</i>	\$985,000

**GANSAT will be eligible to receive an estimated \$47,500 investment tax credit and sales tax refund estimated at \$15,750.**

**Meets Additional  
Requirements:**

- X      1. Business has submitted a 10-year long-term strategic plan which includes labor and infrastructure needs.
- X      2. Business has provided information explaining the economic benefits it will bring to the area.
- X      3. Business has stated the impact its expansion will have on other Iowa businesses in competition with it.
- X      4. Business has provided an affidavit that it has not violated State or Federal environmental and worker safety statutes, rules or regulations within the last five years or that there were mitigating circumstances or that such violations did not affect the public health, safety or the environment seriously.
- X      6. Business has explained why Enterprise Zone benefits are needed in order for the project to proceed.
- X      7. Business has provided information regarding other financing sources the business will use.

**Meets Commission  
Requirements:**

- X      The Des Moines Enterprise Zone Commission requires businesses expanding in the Gateway Enterprise Zone to meet with the neighborhood most closely located to the proposed project. The company will discuss the project with the Downtown Neighborhood Association (DNA) Board on November 5.

**Recommendation:**

Staff recommends approval of the application and submittal to the Des Moines Enterprise Zone Commission for consideration at its next meeting.