

**COUNCIL ACTION FORM**

**SUBJECT: ENDORSEMENT OF IOWA ECONOMIC DEVELOPMENT AUTHORITY APPLICATION FOR FINANCIAL ASSISTANCE FOR XPANXION, LLC, WITH LOCAL MATCH IN THE FORM OF A \$36,000 NO INTEREST LOAN WITH HALF OF THE AMOUNT FORGIVABLE**

**BACKGROUND:**

Xpanxion, LLC, is a software services company with operating offices in five states and Pune, India. The company is a wholly owned subsidiary of California-based UST Global. The Xpanxion Ames office was opened in 2011 and has grown from 14 to 41 employees and provides software development and testing operations. The company has applied for economic development assistance for a project that includes consolidating offices from four suites across two buildings to a single location that will accommodate both the current workforce and the addition of 45 new full-time positions. Thirty-six of the 45 new jobs exceed the High Quality Job Program threshold of \$42,307 and all will exceed within 36 months of the incentive award. The Iowa Economic Development Authority (IEDA) has tentatively agreed to provide incentives to the company including a \$180,000 no interest loan with half forgivable. Xpanxion is also eligible for \$299,000 in job training grants from the State of Iowa. **A condition of the state assistance is a local match in the form of a \$36,000 no interest loan with half forgivable. Funding for the local match will be half from the City of Ames and half from the Ames Economic Development Commission.** The next step in the process is to endorse the application to the IEDA for economic development assistance as the local sponsor.

The IEDA board will review the Xpanxion application for assistance at its August meeting. **For the IEDA to continue with this project, the City Council must adopt a resolution supporting the submittal of the Xpanxion application for IEDA assistance, including the local match. The agreement for the local match will be brought before the Council for approval at a later date.**

**ALTERNATIVES:**

1. Adopt a resolution supporting the submittal of an application from Xpanxion, LLC, requesting economic development assistance from IEDA with local match to be provided in the form of a \$36,000 no interest loan with half of the amount forgivable.
2. Do not adopt a resolution of support for Xpanxion application.

**MANAGER'S RECOMMENDED ACTION:**

Xpanxion is an established, growing software company that has selected Ames as the location to make an investment of capital to expand high paying jobs. In keeping with the Council's goal to promote economic development, this project will expand the number of quality jobs within our city.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, adopting a resolution supporting the submittal of an application from Xpanxion, LLC, requesting economic development assistance from IEDA with local match to be provided in the form of a \$36,000 no interest loan with half of the amount forgivable. Funding for the local match will be half from the City of Ames and half from the Ames Economic Development Commission.



Debi V. Durham, Director  
Iowa Economic Development Authority

# Business Financial Assistance Application

Business Finance - Business Development Division  
Iowa Economic Development Authority  
200 East Grand Avenue  
Des Moines, Iowa 50309-1819  
[www.iowaeconomicdevelopment.com](http://www.iowaeconomicdevelopment.com)  
Telephone: 515.725.3134 Email: [businessfinance@iowa.gov](mailto:businessfinance@iowa.gov)

## Application Instructions

*To Complete Electronic Form: Click on TEXT BOX to add text. Double click on YES/NO boxes and select "Checked".*

1. All applicants must complete the Business Financial Assistance Application and attach only those additional sections for the components to which the applicant is applying.

<u>STATE of IOWA – Financial Assistance Program</u>
High Quality Jobs Program (HQJP)
<input type="checkbox"/> Tax Credits
<input checked="" type="checkbox"/> Direct Financial Assistance

2. Before filling out this application form, please read all applicable sections of the Iowa Code and Iowa Administrative Code (rules). <https://www.legis.iowa.gov/law/administrativeRules>
3. Only typed or computer-generated applications will be accepted and reviewed. Any material change to the format, questions, or wording of questions presented in this application will render the application invalid and it will not be accepted.
4. Complete the applicable sections of the application fully. If questions are left unanswered or required attachments are not submitted, an explanation must be included.
5. Use clear and concise language. Attachments should only be used when requested or as supporting documentation.
6. Any inaccurate information of a significant nature may disqualify the application from consideration.
7. The following must be submitted to Business Finance at IEDA in order to initiate the review process:
  - One **original**, signed application form and all required attachments
  - One **electronic** copy of the application form and all required attachments

**Facsimile copies will not be accepted.**

**Applications must be submitted to IEDA Business Finance before 4:00pm on the fourth Monday of the month.**

**Applications will be reviewed by the IEDA Board on the third Friday of the following month.**

## Public Records Policies

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During the application process, the information submitted by you to IEDA is exempt from disclosure under the “industrial prospects” exemption found in Section 22.7(8). However, once you receive an award, the industrial prospects exemption no longer applies and *all documents submitted and generated during the application and negotiation process become public records* under Iowa’s Open Records Law (Iowa Code, Chapter 22), unless

- 1) The information belongs to one of the classes of records automatically treated as confidential; or
- 2) You have applied for and received written notice that your information will be treated as confidential.

### Automatically Confidential Records

IEDA automatically treats the following records as confidential and will withhold them from public inspection even without a request for confidential treatment:

- Tax Records and Tax Liability Information
- *Quarterly Iowa Employer’s Contribution and Payroll Report* prepared for the Iowa Workforce Development Department
- Payroll Registers
- Business Financial Statements and Projections (unless those statements are already publicly available elsewhere, e.g., 10-K filings)
- Personal Financial Statements

### Exemptions to the Open Records Law

If you wish to have additional information treated as confidential, you must fill out the confidential treatment request form. Under the Open Records Law, IEDA may lawfully treat certain information as confidential if that information falls within an exemption to the Open Records Law. The following exemptions represent records which may lawfully be treated as confidential under the Open Records law and which are most often applicable to the information submitted to IEDA:

- Release of information would give an unfair advantage to competitors – Iowa Code Sec. 15.118
- Trade secrets – See Iowa Code section 22.7(3), see also Iowa Code Ch. 550
- Information on an industrial prospect with which the IEDA is currently negotiating – See Iowa Code section 22.7(8)
- Communications not required by law, rule or regulation made to IEDA by persons outside the government to the extent that IEDA could reasonably believe that those persons would be discouraged from making them to IEDA if they were made available for general public examination – Iowa Code section 22.7(18)

### Non-Confidential Information

Information that is submitted to IEDA as part of the application process or that is contained in a contract for program benefits is generally considered material to the eligibility requirements of the program or to the amount of incentives or assistance to be provided. Such information is generally not given confidential treatment. Such information includes but is not limited to, the number and type of jobs incented, the wage levels for the incented jobs, your company’s employee benefit information, and your project budget.

**Additional Information Available.** Copies of Iowa’s Open Record law and IEDA’s administrative rules relating to public records are available from the IEDA upon request.

**SECTION A**

**Applicant Information**

**Date Application Submitted:**

1. **Name of Business:** Xpanxion, LLC
2. **Entity Name (for contracting purposes):** Xpanxion, LLC
3. **Address:** 1601 Golden Aspen Drive Suite 108
4. **City, State & Zip Code:** Ames, IA 50010
5. **Contact Person:** Rob Frew **Title:** Director of Iowa Operations
6. **Phone:** 515-956-7603 **Fax:** **Email:** rfrew@xpanxion.com
7. **FEIN:** 58-2218113
8. **NAICS Code for primary business operations:** 541511
9. **US DOT Number:**
10. **Does the Business file a consolidated tax return under a different tax ID number?**  
 Yes (If yes, please also provide that tax ID number) 26-1539797  No
  - a. **Is the contact person listed above authorized to obligate the Business?**  
 Yes  No If no, please provide the name and title of a company officer authorized to obligate the Business: Paul Eurek, President
11. **If the application was prepared by someone other than the contact person listed above, please complete the following:**  
Name of Business:  
Address:  
City, State & Zip Code:  
Contact Person: Title:  
Phone: Fax: Email:

**Sponsor Information** (A sponsor organization is a city or county)

12. **Sponsor Organization:** City of Ames
13. **Official Contact (e.g. Mayor, Chairperson, etc.):** Duane Pitcher **Title:** Director of Finance
14. **Address:** 515 Clark Avenue
15. **City, State & Zip Code:** Ames, IA 50010
16. **Phone:** 515.239.5113 **Fax:** 515.239.5320 **Email:** dpitcher@city.ames.ia.us
17. **If IEDA needs to contact the sponsor organization with questions, should we contact the person listed above?**  
 Yes  No, please contact the following person:  
Name: Ron Hallenbeck Title: Executive Vice President, Ames Economic Development Commission  
Address: 304 Main Street  
City, State & Zip Code: Ames, IA 50010  
Phone: 515-232-2310 Fax: 515-233-3206 Email: ron@ameschamber.com

If necessary, please list information on additional sponsors in an attachment.

**SECTION B**

**Business Information**

1. **Provide a brief description and history of the Business. Include information about the Business' products or services and its markets and/or customers.**

Xpanxion is a software services company providing software solutions to Fortune 1000 enterprise level companies with rural offices located in five states. The office in Ames was opened in 2011 with a total of 13 people and is currently operating with 41 full time resources. In 2014, Xpanxion moved under the UST Global umbrella and currently operates as a subsidiary. This exciting transition has brought about a synergy that strategically leverages strengths of both organizations that helps push us towards our primary mission: satisfied clients. With both companies working together, we have a more diversified service portfolio that can better meet all of our clients' needs while keeping our focus on customer service.

2. **Business Structure:**

Cooperative       Corporation       Limited Liability Company  
 Partnership       S-Corporation       Sole Proprietorship

3. State of Incorporation: Georgia

4. Identify the Business' owners and percent ownership: UST Global Inc., 100%

5. Does a woman, minority, or person with a disability own the Business?       Yes       No

6. List the Business' Iowa locations and the most current number of employees at each location. Ames with 41 current full time employees

7. What is the Business' worldwide employment? (Please include employees of parent company, subsidiaries, and other affiliated entities in this figure.) Roughly 15,000 globally through UST Global Inc. (Parent Company). Xpanxion, LLC has roughly 600 globally with currently 194 in the U.S.

**Project Information**

8. **Project Street Address:** 1315 S. Bell  
**Project City & Zip Code:** Ames, 50010

**Project County:** Story

9. **Type of Business Project:**

Startup       Expansion of Iowa Company       New Location in Iowa

10. **Does the project site qualify as a "Brownfield" or "Grayfield" site?**       Yes       No  
 If yes, please explain and document as Attachment A6.

11. **Describe the proposed project for which assistance is being sought. (Include project timeline with dates, facility size, infrastructure improvements, proposed products/services, any new markets, etc.)**

We are expanding office size to accommodate for anticipated growth, adding dedicated training and research and development labs, adding additional software and hardware for those areas, adding additional seating for new resources as well as infrastructure for network. As we continue to grow in Iowa, we are looking to partner with more Iowa businesses in Des Moines like The Principal, Equifax and Shazam as well as in Pella with Vermeer while also continuing to expand with our current clients like Sony, Red Hat, Primerica, IHG, E\*Trade and pursuing new engagements with Morpho Trust, Staples and Home Depot.

- 12.

<b>Project Timeline</b> <i>(add additional rows as needed)</i>	<b>Beginning Activity Date</b>	<b>Activity Completion Date</b>
Identify floor plan layout	August 1, 2015	August 31, 2015
Identify qualified Ames office space	August 1, 2015	August 31, 2015
Negotiate lease with site improvements	September 1, 2015	September 30, 2015
Project build out	September 1, 2015	November 30, 2015
Procure computer hardware/software/infrastructure	September 1, 2015	September 30, 2015

13. **Has any part of the project started\*?**  Yes  No  
 If yes, please explain.

*\* For IEDA's purposes, starting the project includes: the start of construction or rehabilitation, the purchase of a building, the execution of a lease, or the installation of equipment to be used in the project.*

14. **Identify the Business' competitors.** If any of these competitors have Iowa locations, please explain the nature of the competition (e.g. competitive business segment, estimated market share, etc.) and explain what impact the proposed project may have on the Iowa competitor.

- Rural Sourcing Inc. (Atlanta, GA) - Has offices throughout the Midwest and is unlikely that this project would impact its employees in a negative way.
- Infosys (Bangalore, Karnataka)
- Cognizant (Teaneck, NJ) – Has an office in Des Moines but it highly unlikely that this project will impact its employees in a negative way. Cognizant has 150,000 worldwide employees and business competition for software development services is largely global or national in nature and so intrastate competition will not play a large factor in either business's strategic success.
- Tata Consultancy Services (Mumbai, Maharashtra)
- Accenture (Dublin, Ireland) - Has an office in Des Moines but it highly unlikely that this project will impact its employees in a negative way. Cognizant has over 300,000 worldwide employees and business competition for software development services is largely global or national in nature and so intrastate competition will not play a large factor in either business's strategic success.

15. **Will any of the current Iowa employees lose their jobs if this project does not proceed?**  
 Yes  No

If yes, please explain why and identify those jobs as "retained jobs" in the Project Jobs Section E.

16. **Is the Business actively considering locations outside of Iowa?**  Yes  No

If yes, where and what assistance is being offered? We also have offices in Fort Collins, Colorado; Manhattan, KS; Lincoln, NE; they are also bidding for additional clients and are being considered. Our Kearney, Nebraska office is in ongoing discussions with the state economic commission as well as the county for additional incentives to build a new facility by leveraging tax incentives among other options.

17. **Please identify the company project management for the project location and experience.** Xpanxion will act as it's own project management and will be a coordinated effort of Rob Frew (Director of Iowa Operations) and Cindy Westbrook (Xpanxion Facilities Manager) and Paul Eurek (Xpanxion President).

**SECTION C**

**Applicant's Project Budget**

1. **Does the Business plan to lease the facility?**  Yes  No

*If yes, please provide the Annual Base Rent Payment (lease payment minus property taxes, insurance, and operating/maintenance expenses) for three years in the budget below, and only major renovation costs your company expects to incur. Administrative rules require that the lease be in place for a minimum of five years.*

Use of Funds	Cost	Source A	Source B	Source C	Source D	Source E	Source F
Base Rent (3 years)	345,600.00	180,000.00	36,000.00	129,600.00			
Tenant Improvements	200,000.00			200,000.00			
Land Acquisition							
Site Preparation							
Building Acquisition							
Building Construction							
Building Remodeling							
Mfg. Machinery & Equip.							
Other Machinery & Equip.							
Racking, Shelving, etc. <sup>1</sup>							

Computer Hardware	40,000.00			40,000.00			
Computer Software	30,000.00			30,000.00			
Furniture & Fixtures	120,000.00			120,000.00			
Working Capital							
Research & Development	50,000.00			50,000.00			
Other							
<b>TOTAL</b>	<b>\$785,600.00</b>	<b>\$180,000.00</b>	<b>\$36,000.00</b>	<b>\$569,600.00</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

2. Please complete the budget below. Include only costs the company plans to incur directly:

<sup>1</sup> Racking, shelving and conveyor equipment used in distribution center projects only

3. Please complete the chart below with proposed financing for the project (tax benefits should be reflected as indirect financing under #5 below):

PROPOSED FINANCING					
Source of Funds	Amount	Form of Funds	Rate and Term	Commitment Status	Conditions/Additional Information
Add additional lines as needed		(Loan, Grant, In-Kind, Donation, etc.)			Include when funds will be disbursed; If loan, whether payments are a level term, balloon, etc
Source A: IEDA (see #4 below)	\$180,000.00	Loan	0% 5 years		½ forgivable and ½ regular loan
Source B: Local Government	\$ 36,000.00	Loan	0% 5 years		½ forgivable and ½ regular loan
Source C: Business	\$569,600.00				Internal funding as needed
Source D: Other Source	\$				
Source E: Other Source	\$				
Source F: Other Source	\$				
<b>TOTAL</b>	<b>\$</b>				

4. Direct financial assistance (loans/forgivable loans) must be secured with acceptable collateral. Please select the type of collateral your company will pledge to secure the IEDA financing, and document its value in Attachment A5. \*

	Explain:
No collateral, funding disbursed at the end of the 5-year contract <input type="checkbox"/>	
Irrevocable letter of credit <input type="checkbox"/>	
Dedicated certificate of deposit (CD) <input type="checkbox"/>	
Surety bond <input type="checkbox"/>	
Mortgage on real estate <input type="checkbox"/>	
Corporate guaranty <input checked="" type="checkbox"/>	Most likely, but still in discussion
Personal guarantee <input type="checkbox"/>	

\* The IEDA Board has the final discretion on what collateral will be accepted.

5. Please complete the chart below with tax credits and other indirect financing expected for the project:

TAX CREDITS AND INDIRECT FINANCING		
Source of Funds	Amount	Description
Investment Tax Credit		
Sales, Service & Use Tax Refund		
Research Activities Credit (3%/10%)		
Local Property Tax Exemption		
Tax Increment Financing		
260E Job Training Funds	\$299,000	2 year-phased in project.
In-kind Contribution		
Other		
<b>TOTAL</b>	<b>\$299,000</b>	

6. There are three justifiable reasons for providing assistance. Check the box next to the reason why assistance is needed to complete this project.



**Financing Gap** - A gap exists between the financing required and the financing on-hand and the provision of tax incentives or assistance is necessary to fill the gap.

**Rate of Return Gap** –The likely returns of the project are inadequate to motivate a company decision maker to proceed with the project even if sufficient debt or equity can be raised to finance the project, and the project’s risks outweigh its rewards, making the provision of tax incentives or assistance necessary to reduce the project’s risks.

**Location Disadvantage (Incentive)** –The business is deciding between a site in Iowa (“Iowa site”) and a site in another state (“out-of-state site”) for its project and the cost of completing the project at the out-of-state site is demonstrably lower, making tax incentives or assistance necessary to equalize the cost differential between the two sites. Note: The authority will attempt to quantify the cost differential between the sites.

**7. Please provide a brief explanation of the need for assistance.**

We have a similar project in discussion for expanding our center in Kearney, Nebraska and will have limited funds to use for expanding our office in Ames. In order for us to be able to expand our operations in Iowa we will need help to offset initial and longer term expenses related to procuring adequate office space that also allows for contiguous growth, increasing infrastructure and capital expense items such as cubicles, hardware and other office related items.

**SECTION D**

**Employee Benefits**

**There are three options to meeting the sufficient benefit requirement. These options are detailed in the chart below. Please complete questions 1-3. If your company meets Option 1 or 2, no additional information is required. If you would like to utilize Option 3, please also complete questions 4-6.**

	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>
	80% single Coverage	50% Family coverage	Monetary Equivalent
Total Number of Employees in Iowa	Pay 80% of premium costs for a standard medical plan, single coverage.	Pay 50% of premium costs for a standard medical plan, family coverage.	Provide medical and pay the monetary equivalent of Option 1 or Option 2 in supplemental employee benefits.
250+	\$750 maximum deductible	\$1,500 maximum deductible	<i>Benefits Counted Toward Monetary Equivalent: Medical coverage, Dental coverage, Vision insurance, Life insurance, Pension, 401(k) (company's Average contribution, Short-/long-term disability insurance, Child care services, Other nonwage compensation</i>
50-249	\$1250 maximum deductible	\$2500 maximum deductible	
0-50	\$1750 maximum deductible	\$3500 Maximum deductible	

1. How many full-time, permanent employees does your company currently employ within the State of Iowa? 41
2. What is the total premium cost for a standard medical plan for **single employee coverage**? \$3538.00
  - a. What portion of this cost is paid by the business? \$2831.04
  - b. What is the deductible associated with this plan? \$1000
3. What is the total premium cost for a standard medical plan for **family coverage**? \$10438.56
  - a. What portion of this cost is paid by the business? \$7307.04
  - b. What is the deductible associated with this plan? \$2000

No additional information required, in this section, if your company meets the requirement for Option 1 or Option 2

4. Does your company provide additional benefits to full time employees?  Yes  No  
 If yes, please provide the annual amount **offered by the business, per employee** in the chart below:

<b>Benefit</b>	<b>Annual amount paid by the business (per employee):</b>
Dental Insurance – Single plan	NAP \$391.20 / VAL \$176.16
Dental Insurance – Family plan	NAP \$1101.36 / VAL \$639.48

Pension (Use 3-year average calculated below)	\$0
Retirement Plan - i.e. 401(k) (Use 3-year average calculated below)	\$0
Profit Sharing Plan (Use 3-year average calculated below)	\$0
Childcare Services	\$0
Life Insurance coverage	\$792
Disability Insurance coverage	\$0
Health Savings Account (HSA) contribution	\$0
<b>TOTAL</b>	<b>\$2284.56 / \$1607.64</b>

5. Does the Business offer a pension plan, 401(k) plan, and/or retirement-plan?  Yes  No  
 If yes, please indicate the amount contributed on a per employee basis by the Business to the plan for the last three years. For 401(k) plans, please provide information on the company match and indicate the average annual match per employee.

Year Ending	Average Actual Match per Employee (\$)
2012	\$0
2013	\$0
2014	\$0
<b>Three-year Average:</b>	<b>\$0</b>

6. Does the Business offer a profit-sharing plan?  Yes  No  
 If yes, please indicate total amount paid out each year for the past three years and then, determine the average annual bonus or contribution per employee for that three year period.

Year Ending	Average Actual Share per Employee (\$)
	\$
	\$
	\$
<b>Three-year Average:</b>	<b>\$</b>

Notes:

1. A qualified plan must be offered to all full-time permanent employees.
2. If you have multiple health insurance plans, please provide information on each plan.

**SECTION E**

**Project Jobs**

1. List the jobs that will be created and/or retained as the result of this project. (A retained job is an existing job that would be eliminated or moved to another state if the project does not proceed in Iowa.) For jobs to be created, include the starting and final hourly wage rate. For retained jobs, include the current hourly wage rate.

<b>Full-Time CREATED Jobs</b>	<i>(Add additional rows as needed)</i>		
Job Title	Number of <b>CREATED</b> Jobs	Starting Hourly Wage	Wage at 36 months following the award
QA Analyst	9	19.40	23.28
Business Intelligence Analyst	6	21.63	23.64
Automation Developer	9	21.63	23.64
Software Engineer	9	24.04	26.27
Lead QA Analyst	3	26.44	28.89
Lead Business Intelligence Analyst	3	28.85	31.53
Lead Automation Developer	3	28.85	31.53
Lead Software Engineer	3	33.65	36.77
<b>Total Full-Time CREATED Jobs</b>	<b>45</b>		

<b>Full-Time RETAINED Jobs</b>	<i>(Add additional rows as needed)</i>	
Job Title (AT-RISK jobs only)	Number of <b>RETAINED</b> Jobs	Current Hourly Wage
<b>Total Full-Time RETAINED Jobs</b>		

2. Is the hourly wage rate based on a 40 hour work week, 52 weeks per year?  Yes  No  
If no please explain:

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## SECTION G

### **Attachments**

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Please attach the following documents:

**A1 Project Plan**

Please provide an executive summary for your project. This information should include, at a minimum, expanded information about the company's products and services and any other project related information that has not already been described in the application for financial assistance.

*Please note, a traditional business plan, including an executive summary, market analysis, organization and management structure, marketing and sales management, service and product line narrative, financial projections, feasibility study and patent status, as well as any other relevant information, may be requested by the Iowa Economic Development Authority to evaluate the feasibility of this project.*

**A2 Payroll Information (Confidential)**

- Copies of the Business' **Quarterly Iowa Employer's Contribution and Payroll Report** for the past year. This report should include the monthly employment totals.
- **A copy of the most recent payroll report for one pay period.** The copy of the most recent payroll report for one pay period must be in Excel format and include the following information:
  - Company name, date of payroll and source of payroll information
  - Employee name and/or employee identification number
  - Current hourly wage - do not include bonuses or other benefit values
  - Indicate if the employee is full time (40 hours per week, 52 weeks per year) or part time.
  - A sample Excel spreadsheet can be found at <http://www.iowaeconomicdevelopment.com/Business/application>

**A3 Affidavit** that states the Business has not, within the last five years, violated state or federal statutes, rules, and regulations, including environmental, worker safety regulations and antitrust laws, or, if such violations have occurred, that there were mitigating circumstances or such violations did not seriously affect public health or safety or the environment. A sample affidavit can be found at <http://www.iowaeconomicdevelopment.com/Business/application>

**A4 Financial Information (Confidential, unless already publicly available) (Existing Businesses Only)**

- Profit and loss statements and balance sheets for past three year-ends;
- Current YTD profit and loss statement and balance sheet;
- Schedule of aged accounts receivable;
- Schedule of aged accounts payable; and
- Schedule of other debts.

**A5 Collateral documentation** (If requesting direct financial assistance only)

**A6 Brownfield or Grayfield site documentation** (if applicable)

SECTION H

Certification & Release of Information

- 1. Are there any judgments or court actions completed or pending against the applicant entity, or any current or prospective officer, principal, director, or owner?
2. Has any current or prospective officer, principal, director, or owner been accused or convicted of any wrongdoing or crime, other than a simple misdemeanor?
3. Have there been any current or past bankruptcies on the part of the applicant entity (or predecessor entities), or on the part of any current (or prospective) officer, principal, owner or in any business dealings of current (or prospective) officers, principals, or owners of the applicant entity?
4. In the last five years have there been, or are there currently any investigations of potential violations of public health, safety (including workplace safety) or environmental laws by the applicant entity, or any current or prospective officer, principal, director, or owner?
5. In the last five years have there been, or are there currently any violations of antitrust laws by the applicant entity, or any current or prospective officer, principal, director, or owner?
6. If yes to any of the above, please provide additional explanation:

I hereby give permission to the Iowa Economic Development Authority (IEDA) to research the Business' history, make credit checks contact the Business' financial institutions, insurance carriers, and perform other related activities necessary for reasonable evaluation of this application. I also hereby authorize the Iowa Department of Revenue to provide to IEDA state tax information pertinent to the Business' state income tax, sales and use tax, and state tax credits claimed.

I understand that all information submitted to IEDA related to this application is subject to Iowa's Open Record Law (Iowa Code, Chapter 22), unless specifically marked as confidential section.

I understand that IEDA reserves the right to negotiate the financial assistance.

I understand this application is subject to final approval by IEDA and the Project may not be initiated until final approval is secured. Furthermore, I am aware that funds will not be disbursed until a contract has been executed and the appropriate terms have been met.

I understand that upon execution of the contract and prior to the issuance of a tax credit number or the disbursement of Award Funds, a recipient shall pay IEDA a one-time compliance cost fee in the amount of \$500. In addition, if tax benefits are greater than \$100,000, the Recipient shall remit to IEDA a compliance cost fee 0.5% of the value of the Tax Incentives claimed pursuant to the contract. The fee will be due and payable upon filing the Recipient's annual tax return for each tax year in which tax credits are claimed under the contract.

I hereby certify that all representations, warranties, or statements made or furnished to IEDA in connection with this application are true and correct in all material respect. I understand that it is a criminal violation under Iowa law to engage in deception and knowingly make, or cause to be made, directly or indirectly, a false statement in writing for the purpose of procuring economic development assistance from a state agency or subdivision.

For the Business:

For the Sponsor(s):

Handwritten signature of Paul Evrek and date 6/18/15

Signature and Date lines for sponsor

Paul Evrek President
Name and Title (typed or printed)

Name and Title (typed or printed)

IEDA will not provide assistance in situations where it is determined that any representation, warranty, or statement made in connection with this application is incorrect, false, misleading or erroneous in any material respect. If assistance has

**IEDA will not provide assistance in situations where it is determined that any representation, warranty, or statement made in connection with this application is incorrect, false, misleading or erroneous in any material respect. If assistance has already been provided prior to discovery of the incorrect, false, or misleading representation, IEDA may initiate legal action to recover incentives and assistance awarded to the Business.**

Attachment: A1  
Project Plan  
Xpanxion, LLC

## **Xpanxion Project Plan**

Xpanxion is a software services company operating offices in five states and an office in Pune, India to provide quality software solutions for Fortune 1000 enterprises. We currently have 600 employees globally with 194 of them in the US. The Ames office has 41 full time employees.

Our services range from custom development of legacy, web and mobile applications to testing, automation, business intelligence service and project, product management as well as business analysis. As we continue to grow current clients and engage with new clients, we are continually recruiting for high quality resources to fill our needs.

Currently the Ames office is located in four suites across two buildings with little ability to expand into more space. This limits us from being able to competitively recruit and hire resources that are going to our other offices and while this is good for Xpanxion overall, it doesn't allow for us to bring in more high quality resources into our Iowa operation.

In order for our Ames location to expand and grow, we are looking for potential new office space that is located in one building with the possibility of expanding for additional space as needed. This will allow us to not only grow, but provide us with an office that is more ideally suited to our needs, help with recruiting and retention of high quality resources and give us a flagship type office for bringing in potential and existing clients for meetings and sales opportunities. We will also be able to have dedicated training labs and a designated research and development lab.

This project will allow us to offer a compelling and competitive reason for clients wanting to do business with us out of our Ames location. Most of our current clients are located outside of the Midwest but as we continue to grow and gain more of a presence in Iowa, we are also looking to work with many of the companies within the state of Iowa as well. This project will show that we are a well-established company and office with plans of growth in the future.

Our timeline for this project is to start August 1, 2015 and have it completed by November 30, 2015.