

COUNCIL ACTION FORM

SUBJECT: ENDORSEMENT OF IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT APPLICATION FOR FINANCIAL ASSISTANCE FOR WEBFILINGS INC WITH LOCAL MATCH IN THE FORM OF ABATED PROPERTY TAXES UNDER THE INDUSTRIAL TAX ABATEMENT PROGRAM.

BACKGROUND:

Webfilings, LLC is a company based in Mountain View, California that has developed an Internet based service to provide support for preparing and submitting documents required by the Securities and Exchange Commission (SEC). Webfilings has software development and sales and marketing support operations located in the ISU Research Park. The company has successfully brought their product to market and intends to quickly expand operations in Ames.

In May of this year the City and Ames Economic Development Commission provided loan funding totaling \$100,000 as the local match for IDED assistance for Webfilings. Webfilings has been making all loan payments as promised and is current on repayment of the loan. The May 2010 project was expected to create 62 high quality jobs and retain an additional eight. Six months into the project employment at Webfilings is at 67 full-time and 11 part-time and market demand has led the company to expand further. The new project includes construction of a 51,000 square foot building in the ISU Research Park, with employment expected to grow to 257 employees.

The Webfilings current application for assistance to the IDED will be reviewed for approval by the IDED board on October 21, 2010. The local match from the City will be contingent upon IDED assistance and future approvals by the City Council. For the IDED to continue consideration of this project, the City Council must adopt a resolution supporting the submittal of the Webfilings application for IDED assistance. If Council supports the application for assistance, the local match for the project is \$400,000 and can be provided in the form of property tax abatement under the Industrial Property Tax Abatement Program. Please note that the ordinance providing for an extension of the Industrial Property Tax Abatement to the year 2020 will be brought to Council at the next regular City Council meeting. If the Council does not act to extend the abatement program, other options for local match will need to be considered to proceed with the Webfilings project.

The company appears to have strong support from equity investors and a management team with a record of past success with software products.

ALTERNATIVES:

1. Adopt a resolution supporting the submittal of an application from Webfilings, LLC requesting economic development assistance from IDED with local match to be provided in the form of Industrial Property Tax Abatement.
2. Deny the application for assistance.

MANAGER'S RECOMMENDED ACTION:

The proposed project has the potential to provide expansion of quality jobs and property tax base and without additional public infrastructure.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative 1, thereby adopting a resolution supporting the submittal of an application from Webfilings, LLC requesting economic development assistance from IDED with local match to be provided in the form of Industrial Property Tax Abatement.