

**COUNCIL ACTION FORM**

**SUBJECT: ENDORSEMENT OF IOWA ECONOMIC DEVELOPMENT AUTHORITY (IEDA) APPLICATION FOR FINANCIAL ASSISTANCE FOR VERTEX SOFTWARE, LLC WITH LOCAL MATCH IN THE FORM OF A \$300,000 LOAN WITH HALF FORGIVABLE**

**BACKGROUND:**

Vertex is an Ames based software company that began operations in September of 2017 and employs 58 people today. The company has developed a cloud-based software product that enables users to securely share 3D product data, regardless of model size, to any computing device: desktop, laptop, tablet, or smartphone. The software makes 3D product data available for use outside of engineering in areas such as sales and marketing, finance, procurement, legal, and on the shop floor. The company expects to add 300 employees and build and lease a 60,000 square foot facility in the ISU Research Park.

The IEDA is proposing direct support of the business expansion with a \$1.5 million loan with half forgivable and indirect support in the form of tax credits and training assistance that could total another \$2.575 million.

The local match from the City that is being required by the IEDA is:

- 1) A \$300,000 loan (\$150,000 at no interest and \$150,000 forgivable) with the following general terms:
  - Vertex creates 300 new jobs over five years.
  - Vertex builds or leases a new facility located in Phase IV of the ISU Research Park
- 2) City waives restrictions on tax abatement that may exist at the location of the new Vertex building in Phase IV of the ISU Research Park, but only to allow for application for the City's existing industrial tax abatement program.

**THE PROJECT:**

The company has applied for economic development assistance for a project that includes the build out and leasing of a building located in the ISU Research Park with an estimated value of \$20 million. The project also includes employment growth of 300 full-time positions all with benefits and pay rate above 120% of the IEDA Story County labor-shed rate of \$26.11 per hour.

Funding for the expansion project is as follows:

State Assistance	\$1,500,000
Local Match	300,000
Founder Financing	10,000,000
Business Income	<u>19,400,000</u>
Total Investment	\$31,200,000

The State's direct assistance will be in the form of a no interest loan with half forgivable. Funding for the local match will be similar terms and funded from the Economic Development Fund.

**THE LOAN AGREEMENT:**

**Terms of loan (both the no interest and forgivable portions) will be incorporated into an agreement between the City and the company and will include the company's promise to build/lease space in a new building in Phase IV of the ISU Research Park and hire 300 additional employees over the next five years. The agreement also will include penalties should the company not fulfill its promises. Finally, City staff will also incorporate into the loan agreement certain hurdles that must be met before City funds will be released to the company.**

The IEDA board will review the Vertex application for assistance at its February 22, 2019 meeting. For the IEDA to continue with this project, the City Council must adopt a resolution supporting the submittal of the Vertex 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. Though Council is endorsing the IEDA application with the local match, the details of the terms of the local match will not be determined until after approval of the assistance package by the IEDA. The City will reserve the ability to include reasonable conditions to the local match such as demonstrated progress in employment growth and construction of a new building.**

**ALTERNATIVES:**

1. Adopt a resolution supporting the submittal of an application from Vertex Software, LLC requesting economic development assistance from IEDA with local match to be provided in the form of a \$300,000 forgivable loan with half forgivable. With the endorsement the Council will maintain the right to include conditions for the funding of the local match. Council will also be committing to waive restrictions on application for industrial property tax abatement if the Vertex facility is constructed on property with restrictions in place.
2. Do not adopt a resolution of support for Vertex application.

**MANAGER’S RECOMMENDED ACTION:**

Vertex is an Ames-based startup company that has developed a product that it is preparing to take to market. The company has chosen 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 Vertex Software, LLC requesting economic development assistance from IEDA with local match to be provided in the form of a \$300,000 forgivable loan with half forgivable. **With the endorsement the Council will maintain the right to include conditions for the funding of the local match. Council will also be committing to waive restrictions on application for Industrial property tax abatement if the Vertex facility is constructed on property with restrictions in place.**

Traditionally, the Ames Economic Development Commission provided half the local incentive match for this type of project. However, Staff has been informed that the AEDC has allocated all of its remaining incentive money for this year to the help finance the new Itinerant Hangar at the Airport. Therefore, no AEDC funds are assisting with this local incentive package. AEDC staff has indicated that in the next year, funds will be allocated to help match our incentive packages.



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  
[iowaeconomicdevelopment.com](http://iowaeconomicdevelopment.com)  
Telephone: 515.348.6153 Email: [businessfinance@iowaeda.com](mailto:businessfinance@iowaeda.com)

## 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 (HQJ) <input checked="" type="checkbox"/> Tax Credits <input checked="" type="checkbox"/> Direct Financial Assistance
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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 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 4:00 p.m. 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. This form is available by request. 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:** Vertex Software, LLC
2. **Entity Name(s) for contracting** (please include all that are involved in proposed project): **Vertex Software, LLC**
3. **Address:** 2625 N Loop Dr., Suite 2100
4. **City, State & Zip Code:** Ames, IA 50010
5. **Contact Person:** Brian Beckett **Title:** Accounting and Finance
6. **Phone:** 515-207-0111 **Fax:** **Email:**  
brian.beckett@vertexvis.com
7. **FEIN:** 82-2905516
8. **Please indicate your tax period end date: December 31**
9. **NAICS Code for primary business operations:** 511210
10. **US DOT Number:**
11. **Does the Business file a consolidated tax return under a different tax ID number?**  
 Yes (If yes, please also provide that tax ID number)  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: Dan Murray - CEO, Ann Murray - Treasurer, Jeff Murray - Secretary
12. **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)

13. **Sponsor Organization:** City of Ames
14. **Chairperson, etc.):** Duane Pitcher **Official Contact (e.g. Mayor, Title:** Director of Finance
15. **Address:** 515 Clark Ave.
16. **City, State & Zip Code:** Ames, Iowa 50010
17. **Phone:** 515-239-5113 **Fax:** **Email:** dpitcher@city.ames.ia.us
18. **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: Dan Culhane                      Title: President - Ames Chamber of Commerce  
Address: 304 Main St  
City, State & Zip Code: Ames, Iowa 50010  
Phone: 515-232-2310                      Fax:                                      Email: dan@ameschamber.com

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

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**SECTION B**

**Business Information**

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

Vertex Software is an exciting new company that was founded by pioneers in manufacturing visualization and Product Lifecycle Management (PLM) In addition, our team includes pioneers in building B2B cloud-based software-as-a-service (SaaS) applications

Our cloud-based software product enables users to securely share 3D product data, regardless of model size, to any computing device desktop, laptop, tablet, or smartphone Our product transforms how organizations access, use, and share visual information, accelerating the product development cycle We unlock 3D product data for use outside of engineering for use cases in sales and marketing, finance, procurement, legal, and on the shop floor

We launched Vertex in September of 2017 and employ 58 people today Our Team has a combined 435 years of software engineering experience, 213 years of cloud computing experience, 133 years of manufacturing visualization experience, 55 years of manufacturing product development experience, and 257 years of experience launching and scaling software companies

**2 Business Structure:**

- Cooperative       Corporation       Limited Liability Company  
 Partnership       S-Corporation       Sole Proprietorship

3 State of Incorporation Delaware

4 Identify the Business' owners and percent ownership Echo 5 Management, Inc - 86%, Jeffrey Murray Gift Trust - 4 7%, Laura Murray Gift Trust - 4 7%, Katelyn Murray Gift Trust - 4 7%

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 47 in Ames, IA as of 11/30/2018

7 What is the Business' worldwide employment? (Please include employees of parent company, subsidiaries, and other affiliated entities in this figure ) 52

**Project Information**

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8 **Project Street Address:** 2625 N Loop Dr Suite 2100  
**Project City & Zip Code:** Ames, IA 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.)**

Vertex Software has its operational headquarters in Ames, IA As we launch our core software solution in Q2 of 2019 we anticipate the rapid scaling of our teams to sell and deploy software to our customers Given the forecasted adoption of our software and the rapid scale and related hiring the project will require and expansion of our current facilities to accommodate our employee growth We have begun discussions with the ISU Research Park and are exploring various options The tentative plan consists of two phases The first phase consists of the construction of a new facility that is approximately 60,000 sq ft and will house approximately 200 employees We anticipate phase one completion in approx 24 months Vertex would enter into a long-term lease for a newly constructed facility with an estimated cost of \$20 million

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Project Timeline <i>(add additional rows as needed)</i>	Beginning Activity Date	Activity Completion Date
Hiring	Immediately	
Construction	October 2019	Fall 2020

- 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. No direct competitors in Iowa

- 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?

- 17 **Please identify the company project management for the project location and experience.** Eileen Witt - Significant experience working with IEDA with Webfilings/Workiva

**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

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

Use of Funds	Cost	Source A	Source B	Source C	Source D	Source E	Source F
Base Rent (3 years)	\$4,500,000	1,500,000	300,000	2,700,000			
Tenant Improvements	200,000			200,000			
Land Acquisition							
Site Preparation							
Building Acquisition							
Building Construction							
Building Remodeling							
Mfg Machinery & Equip							
Other Machinery & Equip							
Racking, Shelving, etc <sup>1</sup>							
Computer Hardware	800,000			800,000			
Computer Software	1,000,000			1,000,000			
Furniture & Fixtures	600,000			600,000			
Working Capital							
Research & Development	25,000,000			4,700,000	19,400,000		
Other							
<b>TOTAL</b>	<b>\$31,200,000</b>	<b>\$1,500,000</b>	<b>\$300,000</b>	<b>\$10,000,000</b>	<b>\$19,400,000</b>	<b>\$</b>	<b>\$</b>

<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)

<b>PROPOSED FINANCING</b>
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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)	\$1,500,000	50/50 loan/forgivable loan	0%		Beginning of project disbursement, payment TBD
Source B: Local Government	\$300,000	Ames, TBD			Beginning of project disbursement, payment TBD
Source C: Founder Financing	\$ 10,000,000	Convertible Debt (SAFE Note)			
Source D: Business Performance	\$19,400,000				
Source E: Outside investors		Equity interests			A high level of interest exists and would be available if business performance cannot support.
Source F: Other Source					
<b>TOTAL</b>	<b>\$31,200,000</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. \***

No collateral, funding disbursed at the end of the 5-year contract	<input type="checkbox"/>	Explain:
Irrevocable letter of credit	<input checked="" type="checkbox"/>	Letter of credit to be completed by CEO/Founder
Dedicated certificate of deposit (CD)	<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	75,000	Based on capital expenditures assuming building is leased
Sales, Service & Use Tax Refund	\$600,000	Refund on sales tax for construction materials through a 3 <sup>rd</sup> party developer
Research Activities Credit (3%/10%)	1,250,000	Supplemental credit (10%) based on 50% of projected R&D salary spend qualifying
Local Property Tax Exemption	1,271,872	5-year sliding scale under 427B
Tax Increment Financing		
260E Job Training Funds	650,000	
In-kind Contribution		
Other		
<b>TOTAL</b>	<b>\$3,856,872</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 would like to take advantage of a market opportunity that will require rapid scaling of our business in Iowa. To optimally take advantage of this opportunity additional capital is needed.

**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 US	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+	\$1250 maximum deductible	\$2500 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	\$2250 maximum deductible	\$4500 maximum deductible	
0-50	\$2000 maximum deductible	\$4000 Maximum deductible	

- 1 How many full-time, permanent employees does your company currently employ within the U S ? 52
- 2 What is the total premium cost for a standard medical plan for **single employee coverage**? \$500 00 average
  - a What portion of this cost is paid by the business? 100%
  - b What is the deductible associated with this plan? \$3,000, \$3,600, \$5,000 PPO and two HDHP options
- 3 What is the total premium cost for a standard medical plan for **family coverage**? Varies – ACA mandates price per family member
  - a What portion of this cost is paid by the business? 100% of employee, 0% of family
  - b What is the deductible associated with this plan? \$6,000, \$7,200, \$10,000 PPO and two HDHP options

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	\$35 42
Dental Insurance – Family plan (cover employee portion)	\$35 42
Vision - Employee covered 100%	\$7 36
Pension (Use 3-year average calculated below)	\$
Retirement Plan - i e 401(k) (Use 3-year average calculated below)	\$
Profit Sharing Plan (Use 3-year average calculated below)	\$
Childcare Services	\$
Life Insurance coverage	Average \$7 30
Disability Insurance coverage	\$
Health Savings Account (HSA) contribution	\$500 annual for HDHP5000 plan
<b>TOTAL</b>	<b>\$585.50</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 (\$)
	\$
	\$
	\$
<b>Three-year Average:</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>	\$

*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
Customer Success	58	36 06	41 80
Sales	27	36 06	41 80
Marketing	24	40 87	47 37
Finance	9	31 25	36 23
People Team	11	28 85	33 44
Legal	6	45 67	52 95
Information Technology	19	36 06	41 80
Product Development	10	52 88	61 31
User Acceptance Testing	13	48 08	55 73
Engineering	76	57 69	57 69
Admin	14	31 25	36 23
Managers	29	43 27	50 16
Executives	4	108 17	125 40
<b>Total Full-Time CREATED Jobs</b>	<b>300</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
N/A	N/A	N/A
<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 provided by IEDA staff

**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 provided by IEDA staff.

**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?  Yes  No
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?  Yes  No
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?  Yes  No
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?  Yes  No
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?  Yes  No
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.

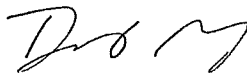
I understand this application is subject to final approval by IEDA and the Project may not be initiated until final approval is secured. Furthermore, I am aware that funds will not be disbursed until a contract has been executed and the appropriate terms have been met.

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):**

  
\_\_\_\_\_  
Signature Date 11/27/2018

\_\_\_\_\_  
Signature Date

Daniel J. Murray, CEO  
\_\_\_\_\_  
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 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 A3

Affidavit

State of Iowa  
County of Story

I, Daniel Murray, depose and say that I have examined the following statement and have found it to the best of my knowledge to be accurate and true.

Vertex Software, LLC has not, within the last five years, violated state or federal statutes, rules, and regulations, including environmental and worker safety regulations, 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.

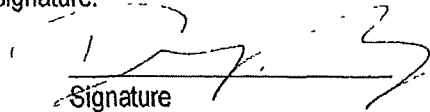
I have submitted a report detailing the circumstances of all such violations to the Economic Development Authority and such report represents a full and complete description of such circumstances

I hereby certify that the information presented to the Iowa Economic Development Authority on December 18, 2018 is fully complete, true, and correct. 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, as provided in Iowa Code section 15A.3 and other applicable law

Furthermore, I understand that providing false, misleading, or fraudulent information to the Board may result in civil and/or criminal liabilities and penalties against the Recipient and its representatives.

I further depose that the signature below is my own proper signature.

Dated: December 18, 2018

  
Signature

Subscribed and sworn to before me on  
this 18th day of December 2018  
Jesslyn Prohaska (Notary Public)  
Story County  
My commission expires on 10/19/21

