Council Communication
May 24, 2021

Department: Community Development	**Resolution No: 21-___**	**City Council: May 24, 2021**

Subject/Title:
Application to the Iowa Economic Development Authority for financial assistance benefits under the Targeted Jobs Withholding Tax Credit Program (TJWTCP) by Pollard Games Inc., dba American Games and International Gamco.

Location:
Headquarter and Expansion Location – 504 34th Avenue, Council Bluffs, IA

Company Background:
American Games' history began in the 1970s with the operation of a respected Nebraska printing company called Precision Service and Supply. As the Company grew, a division called Precision Games soon emerged that specialized in pull-tab tickets (break-open tickets) and sheet-fed Bingo paper. In 1985, this division emerged a new company, American Games. Today, American Games remains a leading manufacturer of charitable and lottery gaming products, including pull-tab tickets (break-open tickets), promotional games, bingo paper, pull-tab vending machines, and ticket counting machines. American Games is the single largest manufacturer of pull tabs to lottery jurisdictions and the second largest bingo paper manufacturer in the world. Our products are available through a network of distributors across the Globe.

Having joined forces with Pollard Banknote Limited, who has clients all over the globe and over a century of security printing experience, the future of American Games has never been brighter. By combining American Games' pull-tab, bingo and ticket vending expertise with Pollard Banknote's experience, our clients have access to a wider spectrum of products and services, backed collectively by many decades of product development and a singular vision of quality and innovation.

Scope of Project:
In 2018, Pollard Games acquired International Gamco, a long time "friendly" Nebraska competitor. Based on the 2018 acquisition, Pollard intends to relocate International Gamco's full production lines to the American Games manufacturing facility in Council Bluffs, IA – Pottawattamie County. To accomplish this transition, Pollard must acquire approximately 55,000 SF of land from an adjacent property owner. The acquisition of the required property is currently being negotiated. The successful acquisition of land will result in Pollard completing a 40,000 SF expansion to their existing American Games facility as well as the creation of approximately 150 new full-time jobs to Council Bluffs, Pottawattamie County and the State of Iowa. Pollard's goal is to begin the plant expansion by Q4 2021.

Project Budget:
The project budget is $10,950,000

Project Workforce:
Pollard employs 2,100 employees worldwide with 205 of those employees being housed at their Council Bluffs location. This project will result in 151 positions being relocated from Pollard's Nebraska facility. Pollard's average hourly wage is $19.71 and is expected to incrementally increase over the course of the next several years. These positions include Press/Machine Operator, Die-Cut Operator, Custodian/Material Handler, Proof/Cutter/Digital/Inventory, Artist/Desktop/Game Builders, Boxer, Quality Control, Press Operator, Equipment Operator, Machinist, Logistics, Dock Worker/Feeders, Sales, Art/Press Department, Finance Department, IT Department and Manufacturing Department. Pollard also provides health insurance and other benefits to their full-time employees.

Discussion:
Pollard Games desires to apply to the Iowa Economic Development Authority (IEDA) for benefits under the Targeted Jobs Withholding Tax Credit Program (TJ). The company has submitted a project questionnaire form to IEDA and has been invited by the State to submit a full application for the TJ incentive program. Per program guidelines, the City must sponsor the application by passing a resolution of support detailing local incentives. Incentives under the Targeted Jobs Withholding Tax Credit Program include a rebate of

payroll taxes for a period of 10-years. The following outlines what the State of Iowa estimates that Pollard Games qualifies for under the TJ program as well as the Advance Southwest Iowa Corporation staff recommendation for the required local match. Staff plans to complete an Urban Revitalization Plan allow tax abatement as the required match. This plan will be brought to Council in the next 30 days for review.

Targeted Jobs Withholding Tax Credit Program	
Targeted Jobs Withholding Tax Credit Assistance	$610,565
Proposed URV Tax Abatement Program	$538,878
Total:	**$1,149,443**
Total Estimated Incentive Amount:	**$1,149,443**

Upon review of the investment levels and job numbers, staff is recommending that the City utilize the Urban Revitalization property tax abatement program in the amount of $538,878 to satisfy the match requirement for the Targeted Jobs program. The property tax abatement is only applicable to the increase in valuation based on this project and will either be 100% for 3-years or on a sliding scale from 80% down to 20% over the course of 10-years – the program allows the company to choose which option.

Project Timeline:
Pollard expects to start construction on their 40,000 SF expansion at their Council Bluffs facility in Q4 2021 with the expectation of completion in Q3 2022.

Staff Recommendation:
Advance Southwest Iowa Corporation recommends that the City Council adopt the resolution supporting the application submitted by Pollard Games, Inc. for benefits under the Targeted Jobs Withholding Tax Credit Program.

Attachments:
Pollard Games Targeted Jobs Withholding Tax Credit application has been provided under separate cover with "confidential payroll and financial information" being reviewed upon request by contacting Paula Hazlewood at (402) 960-8505 or phazlewood@selectgreateromaha.com.

Respectfully Submitted By: Paula Hazlewood, Executive Director, Advance Southwest Iowa Corporation
Approved By: Courtney Harter, Housing & Economic Development Manager