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## VGM plans expansion

**By PAT KINNEY, Assistant City Editor**

WATERLOO --- Van G. Miller & Associates has announced a \$5 million, 50,000-square-foot expansion of its facilities at Ansborough Avenue and San Marnan Drive that will create an additional 140 jobs.

VGM, which presently employs 400, would build the addition as part of its Sunnyside Heights Office Complex at Ansborough and San Marnan, company chief financial officer Mike Mallaro said. An additional 200 jobs, in addition to the 140, could be added under future plans.

The expansion would begin in June and take about a year to complete, Mallaro said.

It's near a proposed Ansborough-U.S. Highway 20 interchange, which VGM supported and some neighbors opposed. The company is seeking additional city incentives for its business expansion.

Work will start pending City Council approval of a development agreement under which the city would pay some \$378,000 in project expenses, including some property acquisition, and a 50 percent five-year property tax rebate on the value added to the property. The site is located in a city-designated tax increment financing district, in which infrastructure and other improvements can be financed with the additional property taxes generated.

The city also would apply for a state grant of nearly \$1 million in Revitalize Iowa's Sound Economy, or RISE, funds, to build new access roads off Ansborough south of San Marnan for the expanded complex, requiring two home acquisitions.

The City Council tonight will be asked to set a date for a public hearing on that development agreement.

Virtually all the initial 140 jobs added would be for VGM's Homelink division, which works with managed care organizations and worker compensation providers to acquire home medical equipment, for which it is then compensated by insurance companies.

"The growth of Homelink is surely being driven by the need for home medical equipment across the United States," Mallaro said. "That need is driven by several factors, such as the aging of America; people's strong preference to remain in their home, and new technologies that continue to evolve and make care in the home not only possible, but high quality."

A number of other VGM business units also will benefit from the expansion, Mallaro said.

The company had other options for expansion, Mallaro said, but chose to build at its existing location because of the quality local work force and the anticipated Ansborough-U.S. 20 interchange, facilitating access to the site.

Some neighbors complained the interchange would create traffic congestion, safety hazards and urban sprawl. Supporters, including VGM, said it was necessary and would foster growth in the area.

Work on the \$4.2 million interchange is scheduled to begin this year.

The cost of the interchange will be covered by another \$1 million grant from the DOT's RISE program and a combination federal highway dollars and local city bonds repaid with property taxes. The City Council April 25 voted to proceed with property acquisitions for the interchange.

That interchange, and local workers' quality convinced VGM to expand there, Mallaro said.

"We always had other options, but Waterloo's our home. We have some great people in Waterloo and we're just pleased we're going to be able to grow and continue to add jobs in the Cedar Valley," he said.

VGM founder Van G. Miller built his 40,000-square-foot first building at the Ansborough-San Marnan site in 1996, moving there from downtown Waterloo. The company expanded again in 1998-99 with a second, 26,000-square-foot building. Employment doubled between the two expansions, to about 230, and has nearly doubled again since then. VGM twice has made Inc. magazine's list of the 500 fastest growing companies in America.

VGM's chief operating officer is Jim Walsh, who is also Waterloo city attorney. City Council member Carolyn Cole is vice president of corporate communications and director of VGM Creative since 1996. Both will abstain from any City Council action pertaining to the city-VGM development agreement.

*Excerpt from the Waterloo/Cedar Falls Courier*