

June, 2007

VGM spinoff seeks city help to move to Walker building

BY PAT KINNEY, COURIER BUSINESS EDITOR

WATERLOO --- The downtown building that once housed one of Waterloo's oldest businesses soon may be home to a spin-off operation of one of its fastest-growing enterprises.

The City Council authorized an application for state financial incentives to make that happen.

The Walker Shoes building at 112-116 E. Fourth St. will be home to the Healthcare Quality Association on Accreditation, or HQAA. It is a nonprofit spin-off of the VGM Group, specializing in accreditation in the home medical equipment industry. VGM spent about \$500,000 to get the business started.

The business employs six people now and anticipates hiring another 40 over three years. It would occupy about 8,900 square feet, more than double its 3,400 square feet.

But the Walker Shoes building will take about \$1.5 million to remodel, and the total startup cost of the business at the new location is estimated at \$3.9 million. City staff said HQAA may qualify for state assistance with the remodeling, and the council is being asked to support an application for that aid.

"HQAA has the right elements to become a very successful company and significant employer for downtown Waterloo," a draft of the proposed application states.

HQAA is asking for a more than \$700,000 in state and local incentives for the project under the pending application, including \$200,000 in state Community Economic Betterment Account money and various job training property tax abatement and enterprise zone tax credits.