

**OFFICE OF THE CITY MANAGER
DES MOINES, IOWA**

**CITY COUNCIL COMMUNICATION 96-398
SEPTEMBER 16, 1996 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
AC CENT HOLDING COMPANY AMENDMENT NO. 1 TO DMALF LOAN AGREEMENT	◆ RESOLUTION ORDINANCE RECEIVE/FILE	SCOTT STRICKER ECONOMIC DEVELOPMENT ADMINISTRATOR

SYNOPSIS —

Accent Tag and Label, Inc. is building a new 27,000-square-foot building in the Airport Commerce Park at 2201 Rittenhouse Street. On February 5, 1996, the City approved a Des Moines Action Loan Fund (DMALF) Loan Agreement in the amount of \$100,000 to Accent Holding Company, L.C. which is comprised of the owners of Accent Tag and Label, Inc. Council Member Christine Hensley requests that Council reconsider an amendment to the loan agreement.

FISCAL IMPACT —

The loan is funded through Community Development Block Grant (CDBG) funds. The amendment itself has no impact on funding or dollar amount.

RECOMMENDATION —

Approve reconsideration and adoption of the amendment.

BACKGROUND —

On February 5, 1996, the City Council approved a \$100,000 loan to assist in the \$1.48 million construction project of Accent Tag and Label, Inc. In April, the Council denied a request to amend the loan agreement.

Subsequently, the company has met with Council Member Hensley, and she is requesting reconsideration of the loan agreement amendment. This amendment conforms and makes consistent language providing for the payment of federal taxes in our loan agreement and the loan agreement between Accent Holding Company, L.C. and Norwest Bank. Without this amendment, City staff and City Council would have to review and approve the company's annual federal tax payments.