

**CITY COUNCIL  
COMMUNICATION:**

**ITEM \_\_\_\_\_**

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

**99-161**

**SYNOPSIS -**

**AGENDA:**

APRIL 19, 1999

**SUBJECT:**

APPROVAL LOAN  
DOCUMENTS FOR  
PRIME PLATING,  
INC.

On the April 19, 1999 Council agenda is a resolution approving loan documents for a Community Economic Betterment Account (CEBA) in the amount of \$65,000 and a Des Moines Action Loan Fund (DMALF) loan in the amount of \$65,000 to Prime Plating, Inc. By Roll Call No. 98-405, dated September 14, 1998, Council gave preliminary approval to submission of the CEBA and the City participation under the DMALF. All other private and public funds have been committed to the project and the company has met all applicable program and environmental requirements. Terrance N. Vorbrich, Development Financing Coordinator with the City's Office Economic Development is the lead contact on this project.

**TYPE:**

**RESOLUTION**  
ORDINANCE  
RECEIVE/FILE

**FISCAL IMPACT -**

The City loan is to be funded out of the Economic Development Enterprise Account. The loan for \$65,000 is to be repaid over a term of seven years at 3 percent interest.

**SUBMITTED BY:**

RICHARD CLARK  
DEPUTY CITY  
MANAGER

**RECOMMENDATION -**

**Approval.**

**BACKGROUND -**

Prime Plating, Inc. is a zinc plating operation providing plating services to manufacturing. The company has its corporate office and main production facility (51,000 sq. ft. with 54 full-time employees) in Bettendorf, IA. The Des Moines facility represents an expansion for the company and will not result in the transference or displacement of jobs in Bettendorf. The Des Moines facility has leased 50,000 sq. ft. of leased space at 2250 Delaware Avenue. The new facility is open and operating and

will create 28 new full-time jobs within three years with an average starting wage of \$11. The company is currently hiring management and operational personnel for the Des Moines facility from the local labor market. The company also provides health and dental insurance and a 401K retirement plan.

Total project costs are coming in at between \$1.4 and \$1.5 million as follows: \$1.25 in new equipment, \$25,000 in furniture and fixtures, and \$200,000 in working capital. The company has a financing commitment from the Quad City Bank & Trust Co. for \$1.15 million; and the company will inject \$200,000. The CEBA and City loans, both for \$65,000 are to be repaid at 3 percent interest over a term of seven years.

Prime Plating, Inc. is owned and operated by the James Stuedemann family of Bettendorf, IA. Fritz Stuedemann, President, who will move temporarily to the Des Moines area, is initially managing the Des Moines satellite facility.