



**CITY COUNCIL  
COMMUNICATION:**

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

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

**01-020**

**SYNOPSIS -**

**AGENDA:**

JANUARY 10, 2001

**SUBJECT:**

**GUARANTEED  
LOAN TO ACCESS  
AIR**

Although Access Air remains in bankruptcy court, John Ruan has received court approval to undertake the rebirth of the airline and its operations. He has invested millions of dollars of his personal money and has received strong support from the Des Moines business community. Access Air has approached the City of Des Moines and is approaching other local governments in the area for financial assistance. The action proposed for your consideration here is a short-term \$1 million no interest loan to be guaranteed by John Ruan for the period of January 11, 2001 to May 31, 2001.

**TYPE:**

**RESOLUTION  
ORDINANCE  
RECEIVE/FILE**

**FISCAL IMPACT -**

The fiscal impact is estimated to be the loss of interest that would be earned on these funds if they were to remain in the City's investment program. The amount is estimated to be approximately \$20,000. The source of the funds will be from the Economic Development Incentive Fund, which has sufficient funds to support this request.

**SUBMITTED BY:**

**ERIC A. ANDERSON  
CITY MANAGER**

**RECOMMENDATION -**

**Approval.**