

Meeting Agendas/Info

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

01-592

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

AGENDA:

SYNOPSIS -

DECEMBER 3, 2001

On the December 3, 2001 City Council agenda is a roll call to approve a Community Economic Betterment Account (CEBA) Loan Agreement with the State of Iowa and Hicklin Engineering, L.C. (Scott Giles, President; John Smidt, Vice President; 4060 Dixon, Des Moines, Iowa), a City Loan Agreement with Hicklin Engineering, L.C., and to authorize the Mayor to sign these agreements.

SUBJECT:

STATE OF IOWA
CEBA LOAN AND
CITY LOAN TO
HICKLIN
ENGINEERING, L.C.

Hicklin Engineering, L.C. is proposing a \$1,035,000 million project that will add 20 or more jobs in Iowa and provide an opportunity for future growth in Des Moines. The project entails moving the Green Bay, Wisconsin, operations of the company to 4060 Dixon, Des Moines; remodeling the building; purchasing equipment; and hiring/retraining new personnel.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

FISCAL IMPACT -

SUBMITTED BY:

RICHARD CLARK
DEPUTY CITY
MANAGER

CEBA participation is in the amount of \$40,000. The City forgivable loan for \$10,000 will assist in reducing the cost of moving equipment from Green Bay, Wisconsin, to the Des Moines site. In addition, the building owner will contribute at least \$55,000 in the form of abated rent and leasehold improvements to the project. The proposed City loan will be funded from the Economic Development Enterprise Account.

RECOMMENDATION -

Approval.

BACKGROUND -

Hicklin Engineering, L.C. manufactures capital equipment and parts for rebuilding transmissions and torque converters. The end market

includes vehicles ranging from heavy-duty military and off-road equipment to light duty trucks and passenger cars.

In 1989, Scott Giles purchased product lines from Hicklin Power and formed Hicklin Engineering, Inc. The company has operated in a building in Urbandale, Iowa. In July 1998, the assets of Green Bay-based Axi Line were purchased and Hicklin Engineering, L.C. was formed. In December 1999, the company acquired the assets of Torque Converter Rebuilding Systems in Sparks, Nevada. The plant in Sparks will continue to operate in that location in the short term.

The primary owners of Hicklin, Inc. are Scott Giles, President and John Smidt, Vice President. The minority shareholders are primarily Cedar Rapids-based venture capital firms.
