



Agenda Item:

028

## **COUNCIL COMMUNICATION City Manager's Office**

### **GENERAL INFORMATION**

Agenda Date: 12/06/04  
No.: 04-607  
Agenda Item Type: Resolution  
No.:

Communication

Roll Call

Submitted by: Richard Clark, Deputy City Manager

### **SUBJECT—**

Resolution Terminating a City Economic Development Loan Agreement with Wausau Benefits

### **SYNOPSIS—**

On the December 6, 2004 Council agenda there is a roll call that recommends termination of an economic development loan agreement with Wausau Benefits (Fred Moore, Chief Executive Officer, 115 West Wausau Avenue, P.O. Box 8046, Wausau, Wisconsin). Per Section 15.3 of the Agreement, the agreement may be mutually terminated for convenience. Wausau Benefits has verified their willingness to terminate the agreement by executing the termination document.

### **FISCAL IMPACT—**

The \$180,000 in economic development assistance committed to Wausau Benefits was to be funded from the City's Economic Development Enterprise Fund Account. The funds will be used to fund other projects within the City of Des Moines.

### **RECOMMENDATION—**

Approval

**BACKGROUND—**

On October 6, 2003 by Roll Call No. 03-2308, the Council entered into a Loan Agreement with Wausau Benefits, Inc. to assist in funding a client-servicing center in Des Moines. It was anticipated that the center would create 100 new jobs. Wausau Benefits did open the client-servicing center but have experienced lower start-up costs and greater revenues than anticipated.

A State of Iowa Community Economic Betterment Account (CEBA) loan was approved simultaneously with the City economic development loan. Wausau Benefits will not utilize these State funds.