



Council Communication

Office of the City Manager

Date

December 17, 2006

Agenda Item No. 30

Roll Call No. 07-

Communication No. 07-733

Submitted by: **Matt Anderson, Economic
Development Administrator**

AGENDA HEADING:

Approval of Economic Development Agreement between City of Des Moines and Excell Marketing, LC.

SYNOPSIS:

Recommend approval of economic development agreement between City of Des Moines and Excell Marketing, LC. On October 11, 2004, by Roll Call 04-2151, Council gave preliminary approval for a \$100,000 City Forgivable Loan to Excell Marketing, LC, 5501 Park Avenue (Stanley Seidler, President, 5501 Park Avenue, Des Moines, IA); authorized the City Manager to negotiate the final terms of the Loan Agreement; and authorized staff to undertake the necessary actions for the placement of traffic signals at the intersection of 5500 Park Avenue, the costs of which will be paid on a 50/50 basis by the City and Excell Marketing, LC. Based on the preliminary approval, the Company moved forward with the economic development project, while issues surrounding storm water management in the area were resolved between the City and the Company. The final Development Agreement is now presented for approval.

FISCAL IMPACT:

Amount: Total - \$132,065 (\$100,000 - forgivable City loan and \$32,065 - City Share for traffic signals)

Funding Source: \$100,000 from FY 2007-08 Operating Budget, Economic Development Enterprise, SP743 CMO980717, pg. 87 and \$32,065 from FY 200708 CIP, Park Avenue Widening – SW 42nd Street to SW 56th Street, Page Street – 32, STR 202.

ADDITIONAL INFORMATION:

Excell Marketing, LC. requested City assistance and placement of traffic signals on Park Avenue to assist in the decision to expand by an additional 30,000 square feet in its current location. With the approval of the \$100,000 forgivable loan and the installation of traffic signals, Excell was willing to construct a 30,000 square foot expansion of their existing 60,000 square foot facility. The expansion retained their current employment base of 74 FTE workers and created 25 new full-time positions. The new positions will be primarily warehouse, semi-skilled positions with an average wage of \$11.00 per hour plus benefits. The company provides 75% of the premiums for single and family medical and dental insurance, life and disability insurance, 401K Profit Sharing, and sick and vacation leave.

PREVIOUS COUNCIL ACTION(S):

Date: May 21, 2007

Roll Call Number: 07-941

Action: Accepting completed construction and approving final payment for the following:
[Nuckolls](#) Concrete Services – Park Avenue Widening-SW 42nd to SW 56th. Moved by Vlassis to adopt.
Motion Carried 7-0.

Date: October 11, 2004

Roll Call Number: 04-2151

Action: Preliminary approval for \$100,000 loan to Excell Marketing, L.C. and authorizing placement of traffic signals at Park Avenue and SW 55th Street in conjunction with final approval of Loan Agreement. ([Council Communication No. 04-511](#)) Moved by Hensley to approve. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE