

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: August 9, 2010
	Agenda Item No. 20 Roll Call No. <u>10-1278</u> Communication No. <u>10-475</u> Submitted by: Matt Anderson Economic Development Administrator

AGENDA HEADING:

Approving agreement with Project InVision International, Matt Meblin, Chief Executive Officer, 7428 Redwood Blvd., Suite 203, Novato, California 94945, to amend the terms of the Economic Development Loan Agreement.

SYNOPSIS:

On June 6, 2005, by Roll Call 05-1397, the City Council approved an Economic Development Loan with Project InVision International. The \$178,000 loan was to facilitate the software company’s fast growth in Des Moines. The company had pledged to create at least 89 jobs with annual wages exceeding \$75,000. They reached peak employment of approximately 20 in 2006, but now have no employees in Des Moines and only 4 employees corporate-wide. The recession has resulted in a substantial reduction in their number of customers and a loss of nearly all license revenue. The company is on the verge of bankruptcy and is attempting to restructure its debts to remain a going concern.

Project InVision’s outstanding loan balance is \$38,142.84. The company has proposed that the City forgive 50% (\$19,071.42) of the balance of its remaining obligation to the City and pay off the remaining \$19,071.42 on a 10-year payment scheduled at 0% interest. City staff recommends approval of these terms.

FISCAL IMPACT:

Amount: \$19,071.42

Funding Source: Repayment is deposited in the Economic Development Enterprise Account, Fund SP743, Organization CMO980717.

ADDITIONAL INFORMATION:

Project InVision also received a \$700,000 CEBA Loan from the State of Iowa Department of Economic Development. The company has been granted a similar amendment to the repayment terms of the State loan balance.

PREVIOUS COUNCIL ACTION(S):

Date: June 6, 2005

Roll Call Number: 05-1397

Action: Economic Development loan agreement and CEBA loan agreement with Software Made Easy (Project Invision). ([Council Communication No. 05-310](#)) Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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