

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	May 23, 2011
	Agenda Item No. 31 Roll Call No. [] Communication No. <u>11-311</u> Submitted by: Terrance N. Vorbrich, Acting Economic Development Administrator	

AGENDA HEADING:

Resolution approving Documents Related to An Economic Development Forgivable Loan to Simpson, Jensen, Abels, Fischer & Bouslog, P.C.

SYNOPSIS:

On January 10, 2011, by Roll Call 11-0036, City Council gave preliminary approval to a forgivable City loan in the amount of \$27,000 to Simpson, Jensen, Abels, Fischer & Bouslog, P.C., to retain and assist the expansion of its home office facilities at 604 Locust Street, Suite 222, Des Moines, IA 50309. Presented is a resolution approving documents related to the City economic development forgivable loan.

FISCAL IMPACT:

Amount: \$27,000.00

Funding Source: FY2010-2011 Operating Budget, Economic Development Enterprise Fund, SP746, CMO0980716, Page 56.

ADDITIONAL INFORMATION:

Simpson, Jensen, Abels, Fischer & Bouslog, P.C., has had its offices located in the downtown area since 1927, most recently leasing space at 604 Locust Street, Suite 222 (Equitable Building). The company was evaluating new lease options between downtown and the western suburbs. With the outlined City assistance, the Company has agreed to enter into a 10-year lease in the Equitable Building on its existing 7,620 square feet of space and maintain an option to expand into an additional 4,000 square feet at estimated improvement costs of \$100,000 to \$150,000. The landlord provided no tenant improvement allowance. The company anticipates expanding staff as a result of the expansion space, and to collectively retain and employ at least 18 full-time employees at the leased premises during the term of the lease. The Company will also enter into monthly parking leases for its employees in the City owned parking garages.

A key consideration behind this particular loan was the need to help reduce vacancies in this building. Looking to the future, our ability to provide assistance without identifiable and significant long-term tax benefits will be very difficult.

PREVIOUS COUNCIL ACTION(S):

Date: January 10, 2011

Roll Call Number: [11-0036](#)

Action: Economic Development Forgivable Loan to Simpson, Jensen, Abels, Fischer, Bouslog, PC law firm for 10-year lease of office space in the Equitable Office Building at 604 Locust Street and employment of 20 full-time employees, \$27,000. ([Council Communication No. 11-022](#)) Moved by Mahaffey to adopt. Motion Carried 7-0.

Date: April 8, 2002

Roll Call Number: 02-861

Action: Economic Development Forgivable Loan and Agreement with Dreher, Simpson & Jensen, P.C. to assist in relocation and retention of company at 604 Locust Street - \$45,000. ([Council Communication No. 02-175](#)). Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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