

Date May 7, 2007

RESOLUTION FOR PRELIMINARY APPROVAL OF A CITY LOAN IN THE  
AMOUNT OF \$135,000 FROM THE DES MOINES ACTION  
LOAN FUND TO ZEN RESTAURANTS, LLC.

WHEREAS, Zen Restaurants, LLC. (hereinafter referred to as "Company") has made application for financial assistance from the City for an economic development project to be located in leased space at the Kirkwood Hotel, Des Moines, IA; and

WHEREAS, the City desires to participate in the public and private investment pursuant to Iowa Code Chapter 15A involving the economic stabilization of and redevelopment within the City of Des Moines, which will involve the creation of approximately 50 new full time positions at an average wage of \$12.00/hour which will go to low and moderate income programs and expansion of the tax base; and

WHEREAS, the public gains and benefits generated from this economic development activity are warranted in comparison to the amount of funds invested and such economic development activity is in furtherance of the City's revitalization of neighborhood commercial areas; and

WHEREAS, the Des Moines Action Loan Fund consists of activities which may be undertaken with Community Development Block Grant (CDBG) funds, in that pursuant to 24 CFR 570.208(a)(4)(i), CDBG funds may be used for the provision of economic development projects that benefit low and moderate income persons and 24 CFR 570.208 (b), CDBG funds may be used in economic development projects which assist in the prevention or elimination of slums and blighted conditions; and

WHEREAS, pursuant to 24 CFR 570.208, CDBG-funded activities must comply with one or more of the national objectives and the proposed project meets the criteria stated in 24 CFR 570.208(a)(4)(i) for compliance with the national objective of benefiting Low and Moderate income persons/areas and 24 CFR 570.208(b) for compliance with the national objective of aiding in the prevention of slum and blight.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that preliminary approval is given for a local contribution from Des Moines Action Loan Fund to be administered by the City of Des Moines, Office of Economic Development in the amount of \$135,000 to the Company under the terms and conditions as outlined in the attached Council Communication, which by this reference is made a part hereof, with such loan contribution to be expressly contingent upon the Company's receipt of all other private financing commitments at the approximate amounts identified in the attached Council Communication.

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BE IT FURTHER RESOLVED that in the event the other private commitments materially change, the City Manager or his designee is directed to make a recommendation to the Council as to whether the proposed City contribution is necessary or appropriate, and as to whether the amount, rate, and terms of the City's contribution should be re-negotiated.

(Council Letter No. 07-276 Attached)

Moved by \_\_\_\_\_ to approved.

APPROVED AS TO FORM:



Michael F. Kelley  
Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
HENSLEY				
KIERNAN				
MAHAFFEY				
MEYER				
VLASSIS				
TOTAL				

MOTION CARRIED

APPROVED

Mayor

**CERTIFICATE**

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

\_\_\_\_\_  
City Clerk