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Date May 21, 2007

APPROVAL OF DOCUMENTS FOR A  
DES MOINES ACTION LOAN FUND LOAN  
FOR \$135,000 TO ZEN RESTAURANTS, LLC.

WHEREAS, by Roll Call No. 07-878 dated May 7, 2007, the City Council gave preliminary approval for a City Loan under the Des Moines Action Loan Fund in the amount of \$135,000 to ZEN Restaurants, LLC (hereinafter referred to as "Company"), for financial assistance from the City for an economic development project to be located at 400 Walnut Street, Suite 101, Des Moines, IA, contingent upon the Company's receipt of other private financing commitments; 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 new jobs and income 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 pursuant to 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, the Company has obtained all private financing commitments and meets all eligibility criteria for City funded economic development financial assistance to downtown retail uses; and

WHEREAS, the Company has executed the attached Loan Agreement & Promissory Note, Security Agreement and Personal Guarantees as security for the Loan; and

WHEREAS, the City Council finds the form of each said document to be acceptable.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa:

1. The attached forms of the Loan Agreement and Promissory Note, Security Agreement and Guarantees are approved.

Date May 21, 2007

2. The Mayor is authorized and directed to sign said attached documents and the City Clerk is authorized to attest to the Mayor's signature and obtain proper acknowledgments.


3. Upon full execution of said documents, the City Clerk is authorized and directed to deliver original executed copies of same to the City's Office of Economic Development and the Office of Economic Development is authorized and directed to deliver appropriate documents to the Company and to thereafter take all steps necessary to protect the security interests of the City by filing or otherwise.

4. Following full execution of the attached documents, City staff is authorized to disburse funds to the Company pursuant to the terms of the Loan Agreement in the amount of \$135,000 from the Des Moines Action Loan Fund and to perform all other City obligations pursuant to the terms and conditions stated in the Loan Agreement and Promissory Note, Security Agreement and Personal Guarantees.

(Council Letter No. 07-294 Attached)

Moved by \_\_\_\_\_ to approve.

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