



Roll Call Number

10-1938

Agenda Item Number

24

Date ..... November 22, 2010 .....

RESOLUTION APPROVING FIRST AMENDMENT TO CITY ECONOMIC DEVELOPMENT LOAN TO STICKEL ENTERPRISES, LLC FOR AN ECONOMIC DEVELOPMENT PROJECT AT 2925 INGERSOLL AVENUE, DES MOINES

WHEREAS, on February 9, 2009, by Roll Call No. 09-196, City Council approved a \$165,000 City Economic Development Loan to Stickel Enterprises, LLC (Jeffery E. Stickel, Manager, 408 Foster Drive, Des Moines) to assist in the construction of a new, three-story, 12,400 square foot, multi-tenant commercial building at 2925 Ingersoll Avenue, Des Moines, Iowa; and

WHEREAS, the project encountered over \$400,000 in increased construction costs of which \$200,000 was directly related to increased site development costs in providing required traffic circulation and parking; and

WHEREAS, the project reclaimed unimproved ground between 29<sup>th</sup> Street and the project site and crossed two neighboring commercial properties to construct traffic circulation and 56 parking spaces. The access and parking is also used by patrons of the two commercial buildings between 29<sup>th</sup> Street and the Stickel Project; and

WHEREAS, to assist in completing the project financing, the City's Office of Economic Development is proposing to increase the City loan by \$85,000 at an interest rate of three percent (3%) per annum to be amortized over 20 years with a five-year maturity. The additional loan will be secured by a subordinate real estate mortgage on the project property and the personal guarantee of Jeffery E. Stickel; and

WHEREAS, the City desires to continue to participate in a public and private investment in the project pursuant to Iowa Code Chapter 15A, involving the economic stabilization of and redevelopment within the City and the Ingersoll Avenue Pedestrian Retail Corridor which will involve the expansion of the City's commercial tax base and the creation of new jobs and income; and

WHEREAS, the public gains and benefits generated from this economic development activity are warranted in comparison to the amount of funds invested; and

WHEREAS, the Developer has obtained all other public and private financing commitments; and

WHEREAS, the Developer has executed the attached First Amendment to the City Economic Development Loan Agreement, the Promissory Note, Mortgage and Personal Guaranty; and

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



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

1. The attached First Amendment to the City Economic Development Loan Agreement, the Promissory Note, Mortgage and Personal Guaranty are hereby approved.

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

3. Upon full execution of the documents, the City Clerk is authorized and directed to deliver original executed copies to the City's Office of Economic Development, which Office is authorized and directed to deliver appropriate documents to the Developer and to thereafter take all steps necessary to protect the interests of the City of Des Moines by recording in the Books and Records of Polk County, Iowa, or otherwise.

4. Following full execution of the attached documents, City staff is authorized to perform all City obligations under the First Amendment to the City Economic Development Loan Agreement including the disbursal of City funds pursuant to the terms of the City of Des Moines First Amendment to Loan Agreement in the amount of \$85,000; and to perform all other City of Des Moines obligations pursuant to the terms and conditions stated the City Loan Agreement and First Amendment to the City Economic Development Loan Agreement, the Promissory Note, Mortgage and Personal Guaranty documents.

(Council Letter No. 10- 701 Attached)

APPROVED AS TO FORM:

Moved by Hensley to adopt.

Michael F. Kelley
Assistant City Attorney

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, COLEMAN, GRIESS, HENSLEY, MAHAFFEY, MEYER, MOORE, and TOTAL.

MOTION CARRIED APPROVED
T. M. Franklin Council 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.

Diane Rauh City Clerk