

★ Roll Call Number

15-1153

Agenda Item Number

35

Date July 13, 2015

RESOLUTION APPROVING LOAN DOCUMENTS WITH PILLAR TECHNOLOGY GROUP, LLC, AND APPROVING ECONOMIC DEVELOPMENT ASSISTANCE CONTRACT WITH PILLAR TECHNOLOGY GROUP, LLC AND THE IOWA ECONOMIC DEVELOPMENT AUTHORITY FOR DEVELOPMENT OF REGIONAL OFFICE

WHEREAS, on March 9, 2015, by Roll Call No. 15-0401, City Council approved the sponsorship of an application to the Iowa Economic Development Authority ("IEDA") and gave preliminary approval of a \$40,000 City loan as local community match on behalf of an economic development project within the City of Des Moines proposed by Pillar Technology Group, LLC ("Company"), by which project the Company will establish an Iowa Regional office to retain nine employees and create up to 40 new jobs over the next three years in the City of Des Moines; and

WHEREAS, on March 27, 2015, the IEDA Board approved the application for funding by providing direct financial assistance in the amount of \$200,000, including a \$100,000 standard loan, and a \$100,000 loan to be forgiven if the Company meets the anticipated investment, job creation and wage and benefit requirements as specified in the application; and

WHEREAS, the Company has obtained all other private and public 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 vicinity of and including the project which will involve the creation of new jobs and income, by providing a local match in the form of a \$20,000 standard loan and a \$20,000 loan to be forgiven if the Company meets the anticipated investment, job creation and wage and benefit requirements as specified in the IEDA application; 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; and

WHEREAS, City staff have negotiated the Economic Development Assistance Contract (No. 15-DF-042) between IEDA, the Company, and the City, in form on file in the office of the City Clerk, setting forth the Company's obligations under the High Quality Jobs Program and the City's obligations in regard to the local match requirement, and have further negotiated the Loan Agreement between the City and the Company as described above.

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

1. Approval is given for a local contribution from the City of Des Moines to be administered by the City of Des Moines, Office of Economic Development in the amount of \$40,000 under the terms and conditions as outlined in the attached Council Communication, which by this reference is made a part hereof.

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2. The Economic Development Financial Assistance Contract (15-DF-042), by and between Pillar Technology Group, LLC, the City of Des Moines, and the Iowa Economic Development Authority, is hereby approved in the form on file in the office of the City Clerk, and the City Loan Agreement and Promissory Notes by and between Pillar Technology Group, LLC and the City of Des Moines are hereby approved and declared to be an economic activity which furthers economic development within the City, and the Mayor and City Clerk are hereby authorized and directed to execute and attest, respectively, said documents.

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

4. Following full execution of the attached documents, City staff is authorized to perform all City obligations under the IEDA Economic Development Financial Assistance Contract (15-DF-042) and the City Loan Agreement on behalf of the City and to monitor compliance by the Company and City with the terms and conditions of said Agreements.

(Council Communication No. 15- 373)

MOVED by Hensley to adopt.

Form Approved:

Glenna K. Frank
Assistant City Attorney

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, COLEMAN, GATO, GRAY, HENSLEY, MAHAFFEY, MOORE, and TOTAL (7).

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.

Y. M. Franklin Council Mayor

Diane Rauh City Clerk