



Agenda Item:
034

COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: October 11, 2004

Communication No.: 04-

511

Agenda Item Type: Resolution

Roll Call

No.:

Submitted by: Richard Clark, Deputy City Manager

SUBJECT—

Economic Development Assistance to Excell Marketing, Inc

SYNOPSIS—

Preliminary approval of:

- (1) An \$100,000 economic development forgivable loan to Excell Marketing, Inc. at 5501 Park Avenue (Stanley Seidler, President, 5501 Park Ave, Des Moines, IA) and authorize the City Manager to negotiate the final terms of the Loan Agreement which will be presented to Council at a later date for approval; and
- (2) Authorize staff to undertake the necessary actions for the placement of traffic signals at the intersection of 5500 Park. The costs for the traffic signals are estimated at \$150,000, which will be paid on a 50/50 basis by the City and Excell Marketing, Inc.

FISCAL IMPACT—

The Economic Development Enterprise Account will fund the \$100,000 proposed economic development forgivable loan to Excell Marketing. The forgivable loan will be conditioned upon the company's completion and occupancy of its building expansion, limiting use of tax abatement to the 3-yr./100% tax abatement schedule, and attainment of job retention and creation goals.

The City will be responsible for the design and construction of the traffic signals. The intended source of financing for the City cost share of \$75,000 is from the Airport Commerce Park West

Tax Increment Financing (TIF). If necessary, the Economic Development Enterprise Account can be an interim funding source with reimbursement from the Airport Commerce Park West TIF

RECOMMENDATION—

Approval.

BACKGROUND—

Excell Marketing Inc. has requested City assistance in its proposed 30,000 square foot expansion at its current location and placement of traffic signals on Park Avenue. Excell will participate financially in the construction of the traffic control light because the access to a signalized intersection will permit it to retain and expand its operations at this location and possible future development of additional commercial space on its site. If Excell is able to negotiate access from Park Ave. on its western portion of its site that is controlled by a traffic signal at SW 56th St., the City will remove the signals at SW 55th St. and Park Ave.

With the approval and installation of the traffic signals, Excell will move to construct a 30,000 square foot expansion of their existing 60,000 square foot facility. The expansion will retain their current employment base of 74 FTE workers and create 25 new full-time positions. The new positions will be primarily warehouse, semi-skilled position with an average wage of \$11.00 per hour plus benefits. The company provides 75% of the premiums for single and family medical and dental insurance, provides life insurance, disability insurance, 401K Profit Sharing, sick and vacation leave.

