

August 9, 2010

Date

**APPROVAL OF AGREEMENT WITH PROJECT INVISON INTERNATIONAL
TO AMENDED TERMS OF ECONOMIC DEVELOPMENT LOAN AGREEMENT**

WHEREAS, on June 6, 2005 by Roll Call No. 05-1397, the City Council of the City of Des Moines approved an economic development loan agreement and promissory note concerning an economic development loan to Project InVison International, d/b/a Software Made Easy, 7428 Redwood Blvd., Suite 203, Novato, California (“Borrower”) in the amount of \$178,000 to assist Borrower’s addition of 89 employees in Des Moines over 5 years; and

WHEREAS, the loan was advanced in two stages, with the first stage (\$89,000) characterized as a repayable loan to be advanced when Borrower executed an office lease in the City. Repayment of this portion of the loan was to begin 12 months following distribution of the \$89,000, to be repaid in 7 annual installments at 0% interest; and

WHEREAS, the second stage of the assistance, also for \$89,000, is a forgivable loan which was advanced when Borrower hired at least 15 full-time employees in Des Moines; and

WHEREAS, Borrower has advised the City that due to the economic downturn, its project to further expand its business in Des Moines did not advance as anticipated; and

WHEREAS, the current balance on the economic development loan is \$38,142.84. Borrower has proposed that the City forgive 50% (\$19,071.42) of the balance of its remaining obligation to the City and pay off the remaining \$19,071.42 on a ten-year (10) payment scheduled at 0% interest. City staff recommends approval of these terms.

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

1. The City of Des Moines agrees to forgive 50% (\$19,071.42) of Borrower’s remaining balance on the economic development loan and to accept Borrower’s repayment as set forth in the agreement between the City and Borrower on file in the City Clerk’s Office.


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2. The Mayor is authorized and directed to execute the agreement amending the terms of the economic development loan as described herein and the City Clerk is directed to attest to his signature.

3. Upon full execution of the agreement the city Clerk shall deliver the original document to the City Manager's Office, which will administer the agreement according to its terms.

Moved by _____ to adopt.

APPROVED AS TO FORM:


 Michael F. Kelley
 Assistant City Attorney

(Council Communication No. 10-475)

| COUNCIL ACTION | YEAS | NAYS | PASS | ABSENT |
|----------------|------|------|----------|--------|
| COWNIE | | | | |
| COLEMAN | | | | |
| GRIESS | | | | |
| HENSLEY | | | | |
| MAHAFFEY | | | | |
| MEYER | | | | |
| MOORE | | | | |
| 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