
KIRKSVILLE CITY COUNCIL REPORT

Council Meeting Date: October 4, 2010

Agenda Item: 2

Report Prepared by: Mari E. Macomber, City Manager

Recommended Motion: That the City Council approves an agreement with Kirksville Restaurant Investors for a Revolving Loan to assist this business in the completion of renovations and improvements to property located at 1116 Country Club Drive.

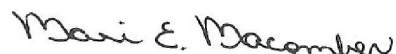
Background: According to City records, Kirksville Restaurant Investors opened the doors of Ponderosa in the fall of 1990, twenty years ago this month. The owners made a decision to reinvest in the property, close the doors for a few months and reopen it as Colton's Steak House & Grill. Total new investment in this property is estimated to exceed \$1.5 million. In touring the facility, it is obvious that the facility was gutted and both interior and exterior improvements are being made. The owner, of the company intends to make improvements to sections of the parking lot, and approached the City about possible support or assistance on improvements to the entryways.

The City is interested in supporting business, and is encouraged by this significant local investment, especially on the south end of town, and one of the main entryways into the community. The owner is interested in entering into an agreement with the City to obtain a low interest revolving loan in the amount of \$27,000 to cover the costs of labor and materials to replace and improve the two entries of the business. The owner has committed significant investment, and has pledged employment of 30 full-time positions and up to 85 part-time. The City has assisted other businesses through this loan program, and has provided the loan as forgivable if the owner agrees to employ a certain number of individuals.

The agreement would require the execution of a Promissory Note. The interest terms for these funds, based on City policy, is 1/3 prime. Should Kirksville Restaurant Investors retain the equivalent of 30 full-time employees over the course of three years, the loan would be forgiven.

Fiscal Impact: The majority of the work and products were purchased locally. Colton's will employ 30 full-time and 85 part-time individuals and will serve as a draw to Kirksville from surrounding areas generating sales tax.

Respectfully submitted,



Mari E. Macomber
City Manager