

REQUESTED COUNCIL MEETING DATE: May 21, 2018

ITEM: Council Bill No. 2018-020 approving a Loan Recipient Agreement by and between the City of Joplin, Missouri, and Able Manufacturing & Assembly, LLC.

ORIGINATING DEPARTMENT: Legal Department.

ATTACHMENTS: Council Bill No. 2018-020; Exhibit “A” – Loan Recipient Agreement

DEPARTMENT HEAD:	Peter C. Edwards	DATE:
INTERIM CITY MANAGER:	Samuel L. Anselm	DATE:
FINANCE DIRECTOR:	Leslie Haase	DATE:
PLANNING-C.D. DIRECTOR:	Troy Bolander	DATE:

INTRODUCTION:

This Council Bill authorizes the execution of an Amended Agreement between the City of Joplin and Able Manufacturing & Assembly LLC for an economic development loan of Seven Hundred Fifteen Thousand and 00/100 Dollars (\$715,000.00).

DISCUSSION:

Able Manufacturing and Assembly LLC (“Able”) is a longstanding company in Joplin that employees approximately 265 people. Able has requested continued loan assistance from the City’s Economic Development Revolving Fund. The City has drafted an Amended Agreement for the continued loan for the sum of Seven Hundred Fifteen Thousand and 00/100 Dollars (\$715,000.00) to Recipient from its Economic Development Revolving Fund. As part of this Agreement, Able will make a \$435,000.00 principal reduction payment on the original loan. The City currently has a first mortgage on Able’s 7th Street manufacturing facility and a second priority security interest in Able’s inventory, fixtures, equipment, vehicles, accounts receivable, stocks, bonds and negotiable instruments, second only to a \$60,000.00 loan from Arvest Bank. Able will grant the City additional collateral, a first mortgage on some additional real estate adjacent to the 7th Street plan that it recently acquired as a condition of this Amended Agreement.

The modified loan terms are as follows. It is a five (5) year loan. Able will pay quarterly interest at 3.5%. Able will make principal payments of \$65,000 at end of year 1; principal payment of \$65,000 at end of year 2; principal payment of \$125,000 at end of year 3; principal payment of \$150,000 at end of year 4; and the balance of principal at end of year 5. Able Body will make a \$250,000.00 repair and improvement to its electrical transformer within twelve (12) months. This was a repair that was on the capital expenditure list in 2014 when the loan originated, but Able did

(Continuation of Cover [Green] Sheet covering Council Bill No. 2018-020 approving a Loan Recipient Agreement by and between the City of Joplin, Missouri, and Able Manufacturing & Assembly, LLC.)

not make this repair at the time and the money was not spent. It has remained in savings but will now be used for this repair that Able has deemed high priority.

RECOMMENDATION:

Staff presents this Council Bill on an emergency basis.

Attachments