AGENDA ITEM	
VOPINDY II PIN	

To:

Mayor and City Council Members

From:

Frank Coe, Chief of Police

Approval:

Alan Kapanicas, City Manager Ail

Agenda Date:

January 17, 2012

Subject:

Approval of Loan Agreement and Use Agreement-Between City of

Beaumont and "The Beaumont Indoor Shooting Range"

Background/ Summary:

Staff was recently contacted by John Casey Seewoster requesting the city consider partnering with him in opening an indoor shooting range within the City. While the concept of the partnership offered certain benefits, staff determined the most responsible course of action to assist Mr. Seewoster in the pursuit of opening his business was to loan him the funds to purchase certain capital assets. In return for the loan, Mr. Seewoster agrees to enter into a five-year "use agreement" with the police department to allow the department use of the facilities on pre-arranged dates over the term of the agreement for a fixed-fee. Additionally, the loan includes a personal loan guarantee and UCC security agreements on the equipment.

Fiscal Impact:

The City loan is for \$81,169, bears interest of 3.5% annually and is repayable at \$1,500 per month over approximately 5 years. Additional fiscal benefits will be realized through the reduction in overtime and fuel costs related to the drive time for police employees to attend range training and qualifications at the Ben Clark Training Center in the City of Riverside.

Recommendation:

Staff recommends that the City Council authorize the Mayor to execute the Loan and Use Agreements with John Casey Seewoster, subject to non-substantive changes by the City Attorney.

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