



**CITY COUNCIL  
COMMUNICATION:**

**ITEM \_\_\_\_\_**

**OFFICE OF THE CITY MANAGER  
CITY OF DES MOINES, IOWA**

**00-055**

**SYNOPSIS -**

**AGENDA:**  
FEBRUARY 7, 2000

Council approved a \$50,000 loan for Skater's Choice, L. L. C. on November 15, 1999. This loan was part of a \$416,500 financing package. The company experienced some cost overruns during construction. One element of additional cost involves the relocation of a sewer line. This was not identified on the plans or during plan review. It was only discovered during construction. Neither the bank nor the owner can cover this particular cost. There is a need for the City to provide an additional \$15,000, thereby raising its loan amount to \$65,000. All other conditions of the original loan approval still apply.

**SUBJECT:**

Any other expenses would be covered out of business cash flow. The ice pavilion is open. This business has a certificate of occupancy for an occupant load of 299 people. The installation of remaining firewall separation devices will allow the occupancy load to be increased to 459 people.

**LOAN  
AGREEMENT  
AMENDMENT FOR  
SKATERS CHOICE,  
L. L. C.**

**TYPE:**

**RESOLUTION  
ORDINANCE  
RECEIVE/FILE**

**FISCAL IMPACT -**

**SUBMITTED BY:**

The loan is funded from CDBG funds. No City funds are obligated. The loan is for six years at 6 percent interest. Interest only is to be paid during the first three months of the loan. The loan is secured by a personal guaranty and second lien on business assets.

**RICHARD A. CLARK  
DEPUTY CITY  
MANAGER**

**RECOMMENDATION -**

**Approval.**

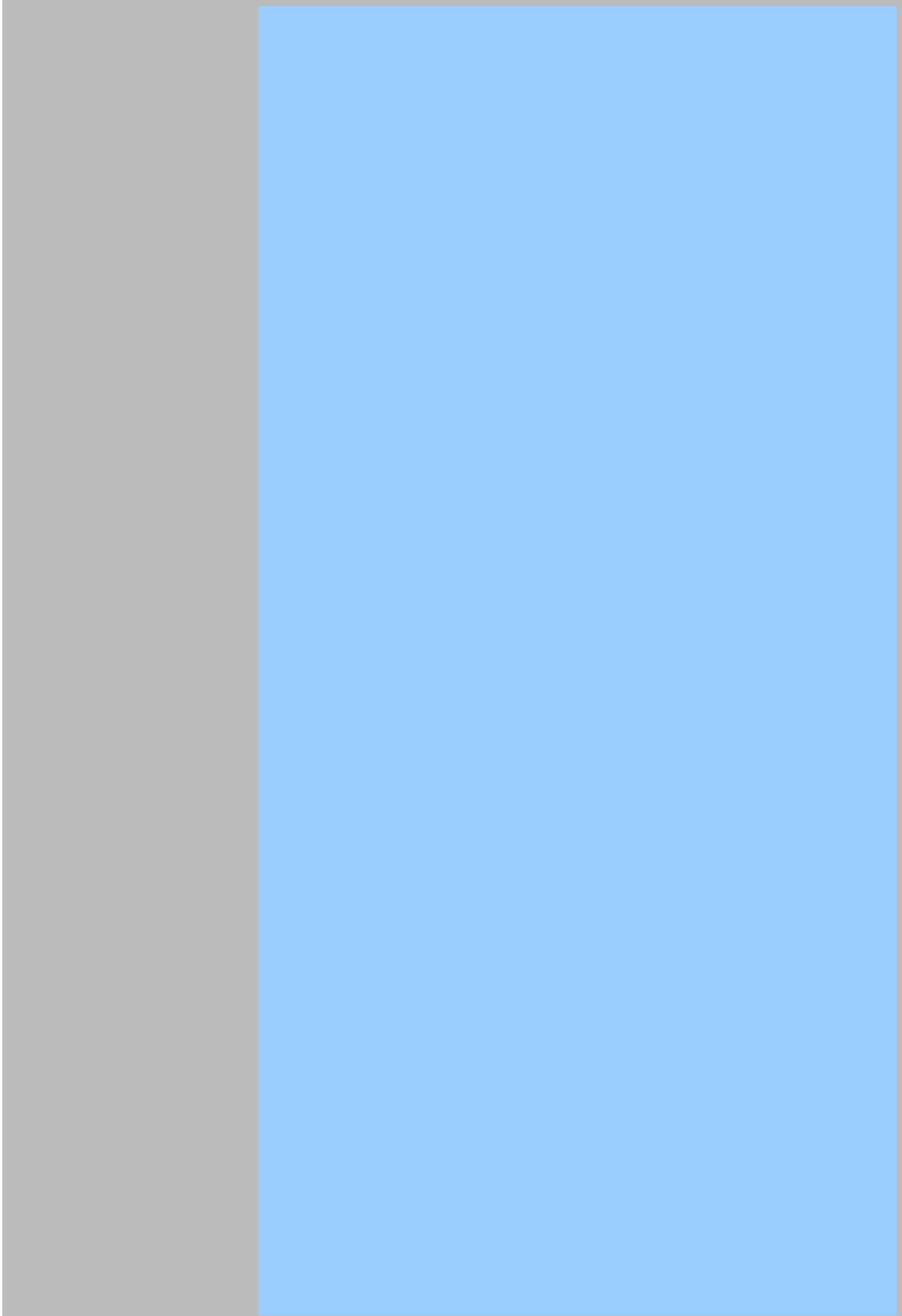
**BACKGROUND -**

Burton Powley is the owner of the Capitol Gateway East Ice Pavilion located at 323 East Locust Street. Mr. Powley resides at 1919 East 9th Street in Des Moines. Burton Powley has had

a long and successful career in skating. He's been a national champion, international competitor, rink owner, director of choreography for a large touring company, teacher, coach, and judge.

He has opened a skating complex catering to figure skating, teaching and coaching, and family recreational ice skating. Figure skating is one of the fastest growing sports in the country, and currently enjoys high TV ratings and media visibility. Ice rinks in Iowa have experienced business growth, particularly in recent years. Ice skating customers often travel 20 miles for skating opportunities, which means that much of the golden circle area is a potential market.

This venue will provide additional recreational and entertainment options for a revitalized Gateway East by offering daytime, evening, and weekend skating opportunities.





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