

## Meeting Agendas/Info

**CITY COUNCIL  
COMMUNICATION:**

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

**01-082**

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

**AGENDA:**

FEBRUARY 12, 2001

**SUBJECT:**

\$20,000 ECONOMIC  
DEVELOPMENT  
GRANT FOR A&A  
SUPERMARKET

**TYPE:**

**RESOLUTION**  
ORDINANCE  
RECEIVE/FILE

**SUBMITTED BY:**

RICHARD CLARK  
DEPUTY CITY  
MANAGER

#### **SYNOPSIS -**

A&A Supermarket is owned by Wan Nam Yun and Hae Sook Yun. The storeowners reside in West Des Moines. Presently located at 924 Locust Street, this property is being acquired by The Graham Group to make way for a parking lot that will serve Equitable of Iowa. A chain of events was set in motion by City purchase of several parcels previously owned by The Graham Group. These purchases were made as part of the required land assemblage by the City for the Allied project. The Graham Group in turn purchased 924 Locust (the A&A Supermarket) as a replacement parking site. Demolition plans for the building have necessitated the moving of the store.

The Yuns are purchasing a building at 4121 S.E. 14th Street, and financing has been arranged for the \$135,000 purchase. However the new loan payments increase overhead expenses at a time when A&A is under increasing competition from non-local companies offering supplier arrangements to local oriental food operations that are a key part of A&A's business. In addition, the new location may not accommodate the restaurant operation the Yun's also have downtown. These factors lead staff to recommend a \$20,000 economic development grant to help the company defray a portion of the company's cost of re-establishment at the new location. The Graham Group has tentatively indicated that they will also provide additional financial assistance directly to the business to facilitate the company's move.

#### **FISCAL IMPACT -**

The proposed grant would be funded from the Economic Development. Enterprise Fund.

#### **RECOMMENDATION -**

**Approval.**

## **BACKGROUND -**

A&A Supermarket has been operating at 924 Locust Street for 20 years. The business has both retail and wholesale grocery operations, as well as a restaurant on site. The restaurant operation may not move to their new location, but A&A will continue the grocery business. The S.E.14th location will cost \$135,000 to purchase. The company also has bids of approximately \$40,000 for moving and re-establishment expenses, and will probably have to borrow funds in addition to the requested City grant and the tentative commitment from The Graham Group.