

Meeting Agendas/Info

CITY COUNCIL
COMMUNICATION:

ITEM _____

OFFICE OF THE CITY MANAGER CITY OF DES MOINES, IOWA

01-265

SYNOPSIS -

AGENDA:

MAY 21, 2001

SUBJECT:

APPROVAL OF
LOAN DOCUMENTS
FOR A CITY LOAN
TO LYNNER REAL
ESTATE
INVESTMENT L.L.C.
(DARWIN T.
LYNNER
COMPANY)

On February 12, 2001, City Council gave preliminary approval to a \$15,000 loan for Lynner Real Estate Investment L.L.C. (Darwin T. Lynner, Jr. is the owner of both Lynner Real Estate Investment, L.L.C. and Darwin T. Lynner Company). Mr. Lynner lives at 2931 Druid Hill Drive in Des Moines. He has moved his corporate offices from West Des Moines to 2930 Bell Avenue. Acquisition and remodeling costs total \$163,000. Bank/Small Business Administration (SBA) financing will provide \$131,000; the borrower will provide \$17,000. Remodeling is approximately \$40,000 of the total. The City has assisted several businesses in the past with similar neighborhood or scattered site remodeling projects. The company has four existing office employees and will add two employees within a two-year period. Loan documents have been prepared for Council review and approval.

FISCAL IMPACT -

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

The funding source for the City's \$15,000 loan is the Economic Development Enterprise Fund. The loan is for a seven-year term at a 3 percent interest rate. The loan will be secured by a lien on business assets and will be guaranteed by Darwin T. Lynner, Jr. and Darwin T. Lynner Company.

SUBMITTED BY:

RICHARD CLARK
DEPUTY CITY
MANAGER

RECOMMENDATION -

Approval.

BACKGROUND -

Darwin T. Lynner Company was founded in 1946. For many years the company was active in residential development in Des Moines and throughout Iowa. Property management is now the primary business operation of the company. The remodeling consists of

roofing repair, electrical, and other interior work.
