

## Meeting Agendas/Info

**CITY COUNCIL  
COMMUNICATION:**

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

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

**01-343**

**SYNOPSIS -**

**AGENDA:**

JUNE 29, 2001

**SUBJECT:**

AMENDMENT TO  
DEVELOPMENT  
AGREEMENT FOR  
GROCERY STORE  
DEVELOPMENT AT  
SEVENTH &  
UNIVERSITY

**TYPE:**

**RESOLUTION**  
ORDINANCE  
RECEIVE/FILE

**SUBMITTED BY:**

RICHARD CLARK  
DEPUTY MANAGER

On the June 4, 2001, by Roll Call No. 01-1750, City Council approved and authorized a development agreement with SNAG L.L.C. for a 35,000 square foot full-service grocery store near the intersection of Seventh and University Avenues in the City of Des Moines Enterprise Community. The Developer/Operator is a group comprised of Greg Stewart, Nick Nichols, Marvin Alexander and Franklin Green (incorporated under the name SNAG, L.L.C. and hereinafter referred to as Developer).

In compliance with the development agreement, the Developer has submitted evidence of Seven Hundred Fifty-five Thousand Dollars (\$755,000) of equity capital for the project, but is unable to provide the necessary evidence of preliminary commitments for interim financing necessary for the construction and equipping of the improvements as the project's construction plans and cost estimates are not yet complete. The Developer has requested that this loan condition be waived so funds from the Enterprise Community Forgivable Loan and the Economic Development Forgivable Loan may be used to purchase the properties before the options on the properties expire on June 30, 2001.

The Developer has executed a Mortgage and the Declaration of Covenants in favor of the City to secure both the Economic Development Forgivable Loan and the Enterprise Community Forgivable Loan as required by the development agreement.

**FISCAL IMPACT -**

The proposed amendment does not change the financial assistance package comprised from City and Federal sources.

**RECOMMENDATION -**

**Approve the Roll Call and authorize release of the \$1,450,740 in**

**Enterprise Community Social Services Block Grant (SSBG) funds and the \$400,000 City Economic Development funds for use by the Developer to purchase properties needed for the Grocery Store project.**

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