

Meeting Agendas/Info

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

01-487

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

AGENDA:

SEPTEMBER 24, 2001

SYNOPSIS -

On the September 24, 2001, City Council agenda is a roll call approving loan documents for a \$20,000 City loan to Jim Thrasher Trust to assist the expansion of Thrasher Service Corp. and Re-Bath Tub and Shower Liners of Central Iowa, which are located at 3012 East 14th Street.

SUBJECT:

LOAN DOCUMENTS
FOR A CITY LOAN TO
THE JAMES
THRASHER TRUST

On February 26, 2001, by Roll Call No. 01-618, City Council gave preliminary approval to a City economic development loan for \$20,000 to The James Thrasher Trust for construction of a new addition to the building located at 3012 East 14th Street. The earlier roll call mistakenly referenced the address as 3008 East 12th Street.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

The company estimates the creation of four entry-level positions. The company provides as part of the total compensation package, health insurance, 401K, and paid leave benefits, which will put the starting wage at or above \$10 per hour.

FISCAL IMPACT -

SUBMITTED BY:

RICHARD CLARK
DEPUTY CITY
MANAGER

The loan will be funded from the Economic Development Enterprise Fund. The loan will be repaid over ten years with an interest rate of 3 percent. The loan will be funded from the Economic Development Enterprise Account.

RECOMMENDATION -

Approval.

BACKGROUND -

Jim Thrasher is the owner of Thrasher Service Corp. and Re-Bath Tub and Shower Liners of Central Iowa which are presently located at 3012 East 14th Street. The James Thrasher Trust owns land south

and adjoining the existing building, and Mr. Thrasher is planning a 1,300 square foot building (built on the adjacent vacant lot at 3008 East 14th Street) to provide additional office and showroom space for the businesses. The Trust, as landowner, would borrow the funds for the project and lease the building to the companies. The estimated project cost, including building, parking, mechanical, and electrical, is \$120,000. The requested City loan of \$20,000 would supplement bank financing and funds from Mr. Thrasher. The City loan is needed because fluctuating revenue in recent years has affected company cash flow.

Thrasher Service Corp. has been in business since 1978 and the Re-Bath business was founded in 1996. The businesses provide sales and service for plumbing, HVAC (Heating, Venting and Air Conditioning), bathroom remodeling, and tub and shower wall installation. The new building will increase space available for office and showroom. The two companies presently have 17 employees.
