



**CITY COUNCIL  
COMMUNICATION:**

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

**02-179**

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

**AGENDA:**

APRIL 8, 2002

**SUBJECT:**

EXPANSION OF THE  
QUIKTRIP STORE  
LOCATED AT EAST  
15TH STREET AND  
EAST GRAND  
AVENUE

**SYNOPSIS -**

On the April 8, 2002, Council agenda is a roll call approving documents related to a forgivable Neighborhood Commercial Revitalization (NCR) Program Loan in the amount of \$50,000 to QuikTrip Corporation. On January 7, 2002, by Roll Call No. 02-129, the City Council gave preliminary approval to a forgivable NCR Loan in the amount of \$50,000, consisting of an in-kind contribution of a vacated alley valued at \$13,000 and \$37,000 in loan proceeds, to expand its store located at East 15th Street and East Grand Avenue.

**TYPE:**

**RESOLUTION**  
ORDINANCE  
RECEIVE/FILE

**FISCAL IMPACT -**

No impact on the general fund. The NCR loan is to be funded with \$37,000 in Community Development Block Grant (CDBG) funds from the Economic Development Financial Assistance Program with the balance being an in-kind contribution of a vacated alley valued at \$13,000. If QuikTrip were not to complete the project or were to default under the terms of the loan agreement, the company is required to repay the \$50,000 loan.

**SUBMITTED BY:**

RICHARD CLARK  
DEPUTY CITY  
MANAGER

**RECOMMENDATION -**

**Approval.**

**BACKGROUND -**

QuikTrip Corporation has proposed creating an entryway and expanded parking on the east side of the store located at East 15th and East Grand Avenue. As part of the project, QuikTrip Corporation proposes to purchase and clean up an adjacent property that is vacant and blight on the neighborhood. The City participation will assist in the costs of environmental testing, environmental and hazardous waste remediation, and demolition of the vacant building. The total project costs are estimated at \$800,000. QuikTrip Corporation states that due

to the high project costs, this project will not go forward without the proposed City assistance.

The Capitol East Neighborhood Association and staff from the City's Community Development Department, Neighborhood Development Division, have been working with QuikTrip Corporation on this project for over a year and support approval of the project.

***Terms of Agreement***

The following points comprise the key features of the restrictive covenants in the loan agreement:

1. QuikTrip will undertake the improvement of the store located at East 15th and East Grand at a minimum investment of \$800,000. The improvements are to include the purchase, removal, and environmental remediation, if any, of the blighted property adjacent to the store located at East 15th and East Grand Avenue. All improvements made to the site will comply with existing City site plan and building regulations.
  2. QuikTrip will continue to provide retail services at the improved location for at least five years from the date of improvements.
  3. The City will vacate and convey a portion of the east-west alley valued at \$13,000 and provide NCR Loan proceeds to QuikTrip in an amount not to exceed \$37,000 for a total forgivable loan of \$50,000. The loan will be forgiven over a term of five years.
  4. If QuikTrip does not comply with the terms of the loan agreement, the entire \$50,000 in City assistance will be repaid.
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