

**CITY COUNCIL
COMMUNICATION:**

02-625

AGENDA:

DECEMBER 2,
2002

SUBJECT:

APPROVAL OF
DES MOINES
ACTION LOAN
FUND LOAN
DOCUMENTS TO
VAUDEVILLE
MEWS, L.L.C.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

RICHARD CLARK
DEPUTY CITY
MANAGER

ITEM _____

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

SYNOPSIS —

On November 18, 2002, by Roll Call No. 02-2706, City Council approved a \$50,000 Des Moines Action Loan Fund (DMALF) Loan to Vaudeville Mews, L.L.C. On the December 2, 2002 City Council agenda is a roll call approving the related loan documents for the loan to Vaudeville Mews, L.L.C.

FISCAL IMPACT —

The loan is to be funded out of the Community Development Block Grant (CDBG) funded Economic Development Financial Assistance Program as a DMALF Loan.

RECOMMENDATION —

Approval.

BACKGROUND —

Vaudeville Mews will be a new entertainment venue within the Court Avenue Historical District located at 212 - 4th Street, Des Moines. It is a new destination business that will offer a unique and diverse selection of live theatre, film, and music all experienced in a "cabaret-style" setting. In addition, the Vaudeville Mews plans to provide children's theatre activities during the day on Saturdays to coincide with the popular Farmer's Market.

The Vaudeville Mews will be owned and operated by the following individuals: Brian Zwaschka, Sara Lochan, and Amedeo Rossi of the downtown Des Moines 4th Street establishment *THE LIFT* located in the Kirkwood Hotel; Kimberly Busbee and James Serpento of the Des Moines based-entertainment production, casting, and education company *AriesWorks Entertainment*; James R. Tough of *VentureQuest*; and Frank Burnette of the law firm *Burnette and Kelley*.

Total project costs are estimated at \$252,400, and include remodeling and operational costs of approximately \$202,405, and purchases for video, audio, and lighting equipment of \$50,000. The group has raised approximately \$202,405 in cash and contributions of materials and labor for the remodeling and operational expenses. The loan request is for \$50,000 of City financial assistance as gap financing to complete the purchase of video, audio, and lighting equipment project. The loan would be repaid at 3 percent interest over the term of their lease, with payments beginning one year from the date funds

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| | <p>are disbursed. The equipment and the personal guarantees of the partners will secure the loan. The full loan balance will be due and payable upon the expiration or cancellation of the company's lease on the proposed project site. The project anticipates creating six positions immediately, increasing to ten part-time and full-time positions within two years.</p> |
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