

**CITY COUNCIL  
COMMUNICATION:**

**03-334**

**AGENDA:**

JULY 14, 2003

**SUBJECT:**

PRELIMINARY  
APPROVAL OF  
DES MOINES  
ACTION LOAN TO  
GROUNDS FOR  
CELEBRATION, INC.

**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 the July 14, 2003, City Council agenda is a roll call for preliminary approval of a Des Moines Action Loan Fund loan for \$30,000 to Grounds for Celebration, Inc. (hereinafter referred to as "Company"). The City loan will assist in the purchase of equipment for a proposed expansion of the company's retail coffee shop located at 2645 Beaver Avenue, Des Moines. The Company is proposing to more than double its existing size to about 2,500 square feet and expand its food service to provide a lunch and dinner menu. The expansion will result in the creation of six new full-time equivalent positions at the Beaverdale location. The Company's majority owner and operators are George Davis and Janelle Argo-Davis of 3159 - 40<sup>th</sup> Street, Des Moines.

Terry Vorbrich with the City's Office of Economic Development is the lead contact.

**FISCAL IMPACT —**

The Des Moines Action Loan was funded from the Community Development Block Grant (CDBG) Economic Development Financial Assistance Fund. The loan bears an interest rate of 3 percent and is repaid over the seven-year term of the lease. No general funds will be used in the project.

**RECOMMENDATION —**

**Approval.**

**BACKGROUND —**

Grounds for Celebration, inc. is a locally owned and operated retail coffee specialty shop and restaurant founded in 1995 by George Davis and Janelle Argo-Davis. Since opening, the Company has grown to four stores in the Des Moines area, with two in the City of Des Moines (2645 Beaver and 3801 Ingersoll Avenue).

Over the past year, the Beaverdale Neighborhood Association, in conjunction with Beaverdale businesses and City leaders, assembled to address the growing commercial vacancies that have occurred recently in the Beaverdale area. Through a series of neighborhood meetings and input from urban planners RDG Crose Gardner Shukert,

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the group has developed the Beaverdale Village Conceptual Revitalization Plan. This plan encompasses the desired streetscape, parking, and building improvements to improve the vitality of the Beaverdale Commercial District. On June 23, 2003, City Council received and filed this conceptual plan. The Grounds for Celebration expansion and accompanying facade and interior improvements embrace the spirit of this plan.

The total investment for the proposed expansion is estimated at about \$182,000. The Company will contribute about \$112,000 in equipment, inventory, and new furniture and fixture purchases. The landlord will contribute \$40,000 toward leasehold improvements, with the City loan filling the financial gap of \$30,000 to assist the project to go forward.

