

**CITY COUNCIL  
COMMUNICATION:**

**03-410**

**AGENDA:**

AUGUST 25, 2003

**SUBJECT:**

CITY 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 August 25, 2003 City Council agenda is a roll call approving documents related to a Des Moines Action Loan Fund loan for \$30,000 to Grounds for Celebration, Inc. (hereinafter referred to as "Company"). By Roll Call No. 03-1610, dated July 14, 2003, the City Council gave preliminary approval for a City loan in the amount of \$30,000 to assist in the purchase of equipment for an expansion of the Company's retail coffee shop located at 2645 Beaver Avenue, Des Moines. The Company has obtained the necessary City permits for the project and has executed the City loan documents, which are being presented for approval.

The Company will 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 Beavertdale 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, repayment of the loan is deferred in years one and two with the full balance being paid in years three through seven of the seven-year lease. The loan is secured by a lien in the new store and the personal guarantee of the principals. 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

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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, 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 façade and interior improvements embrace the spirit of this plan.

The total investment for the proposed expansion is about \$182,000. The Company will contribute \$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.

