



Agenda Item:

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## **COUNCIL COMMUNICATION**

### **City Manager's Office**

#### **GENERAL INFORMATION**

Agenda Date: 8/08/2005  
Agenda Item Type: Resolution

Communication No.: 05-432  
Roll Call No.:

Submitted by: Richard Clark, Acting City Manager

#### **SUBJECT—**

Resolution approving a Predevelopment Loan Program loan in an amount not to exceed \$11,432.50 for proposed renovations to 315 East Fifth Street, Des Moines.

#### **SYNOPSIS—**

On the August 8, 2005, Council Agenda is a roll call approving a Predevelopment Loan Program loan in an amount not to exceed \$11,432.50 to Allan H. Johnson and Scott E. Johnson DBA 311, L.L.C (hereinafter collectively referred to as Developer). The predevelopment loan is to assist in payment of up to 85 percent of the total costs estimated at \$13,450.00, associated with determining the feasibility of proposed renovations to the property located at 315 East Fifth Street, Des Moines. The Developer is proposing to renovate the vacant and dilapidated building for a mixed-use project with possible basement and first floor retail/commercial and 2<sup>nd</sup> floor residential or commercial. If the project is determined to be financially feasible, the predevelopment loan will be repaid to the City through permanent project financing.

#### **FISCAL IMPACT—**

The Predevelopment Loan will be funded from the Economic Development Enterprise Account. The loan in an amount not to exceed \$11,432.50 will be at zero percent interest and repaid from final project financing, if the renovation project is found to be feasible and moves ahead.

#### **RECOMMENDATION—**

Approval

#### **BACKGROUND—**

The Predevelopment Loan Program provides loans of up to \$30,000, not to exceed 85 percent of a variety of predevelopment costs. The program was designed to assist projects in the East Village area for which predevelopment costs are a significant barrier to rehabilitation.

Eligible activities include costs related to consultant fees; site assessments, environmental, architectural and engineering reports; and preparation of plans and specifications. If the project does not go forward, at the option of the City Council the loan may be converted to a grant. If the project goes forward, all costs paid by predevelopment loan funds must be reimbursed to the City under the sources of permanent financing proposed for the project.