



Council
Communication
Office of the City Manager

Date

October 13, 2008

Agenda Item No. **Extra Item 2**
Roll Call No. **08-**
Communication No. **08-627**
Submitted by: Chris M. Johansen, Assistant
City Manager

AGENDA HEADING:

Approving Jumpstart Small Business Assistance Program Grant Agreement.

SYNOPSIS:

Recommend approval of the Jumpstart Small Business Assistance Program Grant Agreement with the Iowa Department of Economic Development for small businesses impacted by the heavy rains and flooding of 2008. This grant is to be used for forgivable loans for working capital to help ensure business survival, capital for acquisition of energy efficient equipment, and forgivable loans equal to 25% of the approved SBA loan.

FISCAL IMPACT:

Amount: \$146,596

Funding Sources: The Iowa Department of Economic Development is providing funding for the Jumpstart Small Business Assistance. No city matching funds are required.

ADDITIONAL INFORMATION:

The Iowa Department of Economic Development has announced a program to assist small businesses impacted by flooding. Their program, Jumpstart Small Business Assistance will provide forgivable loans to small businesses' working capital to help ensure business survival. These loans will be equal to 25% of the approved SBA loan (whether or not the business accepted the loan), and up to \$50,000 provided the business reopens within 1 year.

This is the first of three rounds of assistance the City of Des Moines anticipates receiving from the State of Iowa and CDBG Disaster funding. For this round of funding Des Moines is eligible for 3.29% of the funding available. Statewide, there is \$20 million available for the Jumpstart Housing Assistance Program, \$20 million available for Jumpstart Small Business Assistance, \$10 million CDBG Supplemental Funds – Business, and \$35 million CDBG Supplemental Funds – Housing.

PREVIOUS COUNCIL ACTION(S):

Date: September 30, 2008

Roll Call Number: 08-1711

Action: Approving Jumpstart Housing Assistance Program Grant Agreement and Application for Jumpstart Small Business Assistance and CDBG Supplemental Funds to assist with recovery efforts due to flooding. Sponsor: Mahaffey. (Council Communication No. 08-589)

) Moved by Mahaffey to refer to the City Manager to review energy efficiency and elevation of the homes and businesses. Motion Carried 6-1.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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