



Council Communication

Office of the City Manager

Date	February 9, 2009
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Agenda Item No.	31
Roll Call No.	<u>09-</u>
Communication No.	<u>09-061</u>
Submitted by: Matthew Anderson	
Economic Development Administrator	

AGENDA HEADING:

Approval of Documents for a City Loan in the amount of \$165,000 to Stickel Enterprises, LLC for an Economic Development Project at 2925 Ingersoll Avenue, Des Moines.

SYNOPSIS:

By Roll Call Number 08-2207 dated December 22, 2008, City Council gave preliminary approval for a City loan in the amount of \$165,000 to assist Stickel Enterprises, LLC (Jeffery E. Stickel, Manager, 408 Foster Drive, Des Moines) to construct a new, three-story, 12,400 square foot, multi-tenant commercial building at 2925 Ingersoll Avenue, Des Moines, IA. On the February 9th, 2008 council agenda is a roll call approving the loan documents for the City loan.

FISCAL IMPACT:

Amount: \$165,000.00

Funding Source: Economic Development Enterprise Account

ADDITIONAL INFORMATION:

Stickel Enterprises, LLC (Jeffery E. Stickel, Manager, 408 Foster Drive, Des Moines) has proposed the construction of a new, three-story, 12,400 square foot, multi-tenant commercial building at 2925 Ingersoll Avenue, Des Moines, IA. The Developer has a signed lease dated July 23, 2008 with Two Dragons, LTD, Su Nong, President as the ground floor tenant. Stickel Chiropractic will be the second floor tenant. The developer is actively seeking a tenant for the third floor. The developer expects the building to be available for Tenants to begin their internal improvements by March 31, 2009.

The project is incorporating several Leadership Energy and Environmental Design (LEED) elements into its construction including: development density and connectivity between the building, residential neighborhoods, basic services and pedestrian access, energy efficient materials such as polysteel insulating concrete forms, permashine polished concrete flooring system, aluminum louvers, grilles and sun control products, 1" insulated glass with low "E" coating, white reflecting polymeric membrane roofing, high energy efficient heating and ventilation and air conditioning units. The project's architects estimate that to LEED certify the project would add an additional \$50,000 to its costs. The developer has chosen not to incur the cost of certification, but will incorporate the LEED design elements discussed above.

The site is located in the Neighborhood Pedestrian Commercial District Zoning. To comply with the zoning and to provide adequate parking and site circulation, the developer has entered into easement agreements with the adjacent property owners. The improvements will provide parking and access along the back of the project site and adjacent properties to 29th Street. To implement these improvements, the developer will reclaim unused portions of the existing lots through the construction of a new retaining wall along the project and the adjacent properties north property lines; construct hard surface ingress and egress to 29th Street and provide underground groundwater management systems. These improvements, at a cost to the project of about \$165,000, will increase overall access and parking for the project as well as the adjacent commercial properties.

The total project costs are \$2,091,000. The developer has secured first mortgage financing of \$1,755,000. The City's Office of Economic Development is proposing a city funded loan in the amount of \$165,000.00 to be repaid with an interest rate of three percent (3%) over 20 years secured by a second real estate mortgage on the project property and the personal guarantee of the Developer, Jeffery E. Stickel. The developer will contribute the balance of the project costs.

PREVIOUS COUNCIL ACTION(S):

Date: December 22, 2008

Roll Call: 08-2207

Action: Preliminary approval for a \$165,000 Loan to Stickel Enterprises, LLC for economic development project at 2925 Ingersoll Avenue. (Council Communication No. 08-742) Moved by Vlassis to approve. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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