



Council Communication

Office of the City Manager

Date July 13, 2009

Agenda Item No. 39
Roll Call No. 09-
Communication No. 09-493
Submitted by: Matthew Anderson, Economic
Development Administrator

AGENDA HEADING:

Resolution to give preliminary approval for a Neighborhood Commercial Revitalization (NCR) Program Loan in the amount of \$100,000 for renovations to 301 East Walnut Street, Des Moines, Iowa 50309.

SYNOPSIS:

Cosmopolitan Holdings, LLC, Angela Campbell, Managing Member, 1006 42nd Street, Des Moines, Iowa 50312, is proposing to renovate the vacant commercial building located at 301 East Walnut for commercial office space. Half the building will be occupied by Dickey & Campbell Law Firm, with the remaining space made available as office suites for lease.

FISCAL IMPACT:

Amount: \$100,000

Funding Source: The NCR Loan Program is part of the Community Development Block Grant (CDBG) funded Economic Development Financial Assistance Program, which is administered by the City's Office of Economic Development. The proposed loan would be repaid with three percent interest over a term of 20 years, and secured by a real estate mortgage on the properties subordinate to the bank financing and the personal guaranties of the developer's principals. FY10 Operating Budget, Fund SP020, Org CDD049900, Grant ID # CDBG2009049, page 68.

ADDITIONAL INFORMATION:

Cosmopolitan Holdings, LLC has purchased the commercial building located at 301 East Walnut Street, located in the East Village Neighborhood. The developer proposes to improve the property by doing extensive structural, facade and internal mechanical renovations to convert the first floor from a former auto-related repair facility, to commercial office use.

The developer has entered into a lease with Dickey & Campbell Law Firm to occupy ½ of the space, and will complete the remaining space as office suites for general lease. The renovations are expected to be complete with the building ready for occupancy by January 2010.

The developer purchased the property for \$300,000 and has contractor estimates for renovation at \$450,000. The developer has bank financing in place that will provide \$570,000 to finance acquisition and improvements, and is requesting financing under the NCR program for \$100,000 to complete the proposed renovations.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Approval of loan documents

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