



# Council Communication

Office of the City Manager

Date July 27, 2009

Agenda Item No. 31  
Roll Call No. 09-  
Communication No. 09-513  
Submitted by: Matthew Anderson, Economic  
Development Administrator

## AGENDA HEADING:

Resolution to give preliminary approval for a Neighborhood Commercial Revitalization (NCR) Program \$15,000 Façade Grant, a \$5,000 Pre Development Grant and a \$100,000 Economic Development Bridge Loan to assist the renovations to 3600 6<sup>th</sup> Avenue, Des Moines, IA.

## SYNOPSIS:

The Highland Park Area Foundation (Ken Boatwright, President, 515 Euclid Avenue, Des Moines, IA) has purchased the commercial building at 3600 6<sup>th</sup> Avenue known as the Aqualand Building and is proposing to renovate the building to historical standards. The 1<sup>st</sup> floor of the building will be leased as retail space with the second floor renovated for residential use.

## FISCAL IMPACT:

Amount: \$20,000

Funding Source: The Neighborhood Commercial Revitalization (NCR) Loan Program is part of the CDBG funded Economic Development Financial Assistance Program administered by the City's Office of Economic Development. The Façade Grant is disbursed on completion of work, documentation of costs and building inspection. FY10 Operating Budget, Fund SP020, Org CDD049900, Grant ID # CDBG2009049, page 68.

Amount: \$100,000

Funding Source: Economic Development Enterprise Account. FY10 Operating Budget, Fund SP073, Org CMO980717.

## ADDITIONAL INFORMATION:

Highland Park Area Foundation (Ken Boatwright, President, 515 Euclid Avenue, Des Moines, IA) has purchased the commercial building located at 3600 6<sup>th</sup> Avenue located in the Highland Park. The Developer proposes to improve the property by doing historical façade, structural, and internal renovations. The Developer purchased the property for \$75,000 and has estimates for renovation costs totaling \$350,000. The state of Iowa Historical Preservation Office has approved the project design for issuance of state of Iowa Historical Tax Credits upon the completion of renovations.

City of Des Moines Community Development is providing \$160,000 in CDBG Funds in the form of a 10-year forgivable loan for the rehabilitation of the residential portion of the project. The \$100,000

Economic Development Bridge Loan will assist in up-front renovation costs and be repaid through the issuance and sale of State of Iowa Historical Tax Credits on the completed project. The NCR Façade Grant is a 1:1 matching grant not to exceed \$15,000 for building façade improvements. The NCR Pre Development Grant is a 1:1 matching grant not to exceed \$5,000 for architectural and engineering fees, feasibility studies, environmental assessments or other related soft costs. The Developer estimates total façade improvements at \$70,000. The Developer estimates the total soft costs at \$11,000.

The Highland Park Area Foundation has received a loan commitment from Bankers Trust Company to finance the balance of the project costs.

**PREVIOUS COUNCIL ACTION(S): NONE**

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

Approval of loan documents

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the second floor of City Hall, 400 Robert D. Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to [cityclerk@dmgov.org](mailto:cityclerk@dmgov.org).