



# Council Communication

Office of the City Manager

Date

August 24, 2009

Agenda Item No. 33  
Roll Call No. 09-  
Communication No. 09-585  
Submitted by: Matt Anderson, Office of  
Economic Development

## AGENDA HEADING:

Resolution Approving Documents related to a Neighborhood Revitalization Program Loan in the amount of \$100,000 for renovations to 301 East Walnut, Des Moines, Iowa.

## SYNOPSIS:

On July 13, 2009 by Roll Call No. 09-1230 City Council gave preliminary approval for a \$100,000 Neighborhood Revitalization (NCR) Program Loan to Cosmopolitan Holdings, LLC (Angela Campbell, Managing Member, 1006 42<sup>nd</sup> Street, Des Moines, IA) to assist in the renovations to the vacant commercial building located at 301 East Walnut for conversion to 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. This action approves loan documents to implement the NCR loan and advance funds to the Developer.

## FISCAL IMPACT:

Amount: \$100,000.00

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 proposed loan would be repaid with three percent (3%) 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 (Angela Campbell, Managing Member) 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 1<sup>st</sup> 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 Neighborhood Commercial Revitalization (NCR) program for \$100,000 to complete the proposed renovations.

**PREVIOUS COUNCIL ACTION(S):**

Date: July 13, 2009

Roll Call Number: 09-1230

Action: Resolution Preliminary approval of a Neighborhood Commercial Revitalization (NCR) Program Loan of \$100,000 for renovations to 301 E. Walnut Street. (Council Communication No. 09-493)  
Moved by Kiernan to approve. Motion Carried 7-0.

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

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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