

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date	September 14, 2009
	Agenda Item No. 34 Roll Call No. 09- Communication No. 09-643 Submitted by: Matthew Anderson, Economic Development Administrator	

AGENDA HEADING:

Resolution to approve documents related to a Neighborhood Commercial Revitalization (NCR) Loan Program \$15,000 Façade Grant, a \$5,000 Pre-development Grant, and a \$100,000 Economic Development Bridge Loan to assist with renovations to 3600 6th Avenue, Des Moines, Iowa.

SYNOPSIS:

On July 27, 2009, by Roll Call No. 09-1336, City Council gave preliminary approval to an NCR Loan Program \$15,000 Façade Grant, a \$5,000 Pre-development Grant, and a \$100,000 Economic Development Bridge Loan to assist with renovations of the commercial building located at 3600 6th Avenue, Des Moines, Iowa. The Parks Area Foundation (Ken Boatwright, President, 515 Euclid Avenue, Des Moines, Iowa) has purchased the commercial building at 3600 6th Avenue known as the Aqualand Building and is proposing to renovate the building to historical standards. The 1st 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 NCR Loan Program is part of the Community Development Block Grant (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. Fiscal Year (FY) 2010 Operating Budget, Fund SP020, Org CDD049900, Grand ID #CDBG2009049.

Amount: \$100,000

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

ADDITIONAL INFORMATION:

The Parks Area Foundation has purchased the commercial building at 3600 6th Avenue located in the Highland Park Commercial District. The Non-Profit Developer proposes to improve the property by doing historical façade, structural, and internal renovations. The Developer purchased the property for \$75,000 and has estimated 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 Department is providing \$160,000 in CDBG or HOME Funds in the form of a 10-year forgivable loan for the rehabilitation of the residential portion of the project. The Community Development Loan will require the housing be occupied by low-income residents for a period of affordability. 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 Historic 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 Parks Area Foundation has received a loan commitment from Bankers Trust Company to finance the balance of the project costs.

PREVIOUS COUNCIL ACTION(S):

Date: July 27, 2009

Roll Call Number: 09-1336

Action: Preliminary approval of \$15,000 NCR Façade Grant, \$5,000 Pre-development Grant and \$100,000 Economic Development Bridge Loan to Highland Park Area Foundation for renovations to 3600 6th Avenue. (Council Communication No. 09-513) Moved by Hensley to approve. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Approval of Certificate of Completion.

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