

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: January 10, 2011
	Agenda Item No. 32 Roll Call No. <u>11-0037</u> Communication No. <u>11-023</u> Submitted by: Terrance N. Vorbrich, Acting Economic Development Administrator

AGENDA HEADING:

Resolution for preliminary approval of a Des Moines Action Loan Fund (DMALF) Forgivable Loan for \$20,000 to Holm Graphic Services, Inc.

SYNOPSIS:

Recommend approval of resolution to preliminarily approve a DMALF Forgivable Loan of \$20,000 to Holm Graphic Services, Inc., Mary Ann Amundson, Owner, 4834 Ashley Park Drive, West Des Moines, IA 50265. The City DMALF program is funded from the Community Development Block Grant (CDBG) program. The DMALF loan will retain the company’s 10 employees in the City and assist the company in leasing 12,048 square feet for 15 years at 601 SW 9th Street, Des Moines, IA 50309.

FISCAL IMPACT:

Amount: \$20,000

Funding Source: FY2010-11 Operating Budget, DMALF – CDBG Repayments Account, SPO23, CMO980503, page 54.

ADDITIONAL INFORMATION:

Holm Graphic Services, Inc. is owned and operated by Mary Ann Amundson. Ms. Amundson purchased the company in 2006 and has been leasing the building located at 1418 Walnut. The company’s lease expires in February 2011 and the owner has listed the building for sale. Staff with the Downtown Community Alliance and the City’s Office of Economic Development has been working with the company to identify locations in the downtown area.

The company has narrowed its location decision to a site in the western suburbs and a 12,048 square foot space at 601 SW 9th Street, Des Moines, IA 50309. The property owner at 601 SW 9th Street has agreed to relocate two existing tenants, build out tenant improvements to the space totaling \$108,000, and provide a moving allowance of up to \$45,000. The City forgivable loan is to assist in moving expenses to facilitate the company’s relocation to 601 SW 9th Street. Based on this assistance, the company will execute a 15 year lease on the space and retain its current employment base of 10 employees at the new location.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Approval of final documents.

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