

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	February 14, 2011
	Agenda Item No.	54
	Roll Call No.	<u>11-099</u>
	Communication No.	<u>11-099</u>
	Submitted by:	Terrance N Vorbrich, Acting Economic Development Administrator

AGENDA HEADING:

Preliminary approval of a City Loan in the amount of \$200,000 from the Des Moines Action Loan Fund to Americana, LLC.

SYNOPSIS:

Americana, LLC, Scott Carlson, Managing Member, residing at 315 37th Street, Des Moines, IA, is proposing the development of a new restaurant at 1312 Locust Street, Des Moines. The new restaurant to be known as Americana Restaurant and Lounge will occupy approximately 6,934 square feet of first floor and mezzanine levels. The restaurant concept will have an interactive, open, casual and hip urban vibe while representing historic nightlife. The general architecture of the restaurant will feature high ceilings and the historic characteristics of the space will be restored. The restaurant concept will be inspired by style of the 40's, 50's and early 60's style supper clubs and historic cabaret clubs. The restaurant projects creating at least 40 new full-time equivalent jobs.

The total project costs to build out the space and open the restaurant is estimated at over \$1.4 million. The proposed city loan is to be funded from the CDBG Des Moines Action Loan Fund, representing approximately 14.5% of the total project costs, will leverage private investments, a bank financing commitment and landlord paid tenant improvements. The project will not be able to proceed without the proposed City loan assistance.

FISCAL IMPACT:

Amount: \$200,000

Funding Source: Des Moines Action Loan Fund; SP023 CMO980503; page 56. The Des Moines Action Loan is funded from the CDBG Economic Development Financial Assistance Fund. The loan will bear an interest rate of 3%. The loan is to be secured by a subordinate lien in the restaurant, furniture, fixtures and equipment.

ADDITIONAL INFORMATION:

Americana, LLC, Scott Carlson, Managing Member, residing at 315 37th Street, Des Moines, IA, is the owner and operator of Court Avenue Brewing Company, 309 Court Avenue, Des Moines. Mr. Carlson is proposing the development of a new restaurant at 1312 Locust Street, Des Moines. The new restaurant to be known as Americana Restaurant and Lounge will occupy approximately 6,934 square feet of first

floor and mezzanine levels.

The total project costs are estimated at over \$1.4 million. The proposed city loan is to be funded from the CDBG Des Moines Action Loan Fund and represents about 14.5% of the total project costs. The City loan will leverage private equity investment of \$210,000, bank financing of \$650,000, and landlord tenant improvement allowance of approx \$320,000. The project will not be able to proceed without the proposed City loan assistance.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Final Approval of Des Moines Action Loan Fund 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.