

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	March 14, 2011
	Agenda Item No. 45 Roll Call No. [_____] Communication No. <u>11-169</u> Submitted by: Terrance N. Vorbrich Acting Economic Development Administrator	

AGENDA HEADING:

Approval of documents for a Des Moines Action Loan Fund Loan for \$200,000 to Americana, LLC, 1312 Locust Street, Des Moines, IA 50309.

SYNOPSIS:

Resolution approving loan documents related to a City Community Development Block Grant (CDBG) funded loan under the Des Moines Action Loan Fund program for \$200,000 to Americana, LLC, Scott Carlson, Managing Member, residing at 315 37th Street, Des Moines, IA 50312. By Roll Call No. 11-0228, dated February 14, 2011, where City Council provided preliminary approval for the loan.

FISCAL IMPACT:

Amount: \$200,000

Funding Source: FY2010-11 Operating Budget, 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% and repaid over the term of the lease.

ADDITIONAL INFORMATION:

Americana, LLC is proposing the development of a new restaurant at 1312 Locust Street, Suite 102. 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 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 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 approximately \$320,000. The project will not be able to proceed without the proposed City loan assistance.

PREVIOUS COUNCIL ACTION(S):

Date: February 14, 2011

Roll Call Number: 11-0228

Action: [Preliminary](#) approval of a City Loan from the Des Moines Action Loan Fund to Americana, LLC for an economic development project of a restaurant at 1312 Locust Street, Ste. 300, \$200,000. ([Council Communication No. 11-099](#)) **Moved by Hensley to adopt. Motion Carried 7-0.**

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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