

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: June 24, 2013
	Agenda Item No. 24 Roll Call No. [_____] Communication No. <u>13-316</u> Submitted by: Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Approval of documents related to a Neighborhood Commercial Revitalization (NCR) Loan for \$170,000 and a Façade Grant for \$15,000 to Gassmann Real Estate, LLC for renovations and expansion of the commercial building at 2822 & 2806 6th Avenue, Des Moines.

SYNOPSIS:

Gassmann Real Estate, LLC, Charles J. Gassmann, Manager, owns the property located at 2822 and 2806 - 6th Avenue that is leased to Bell Brothers Heating & Air Conditioning, Inc., Charles J. Gassmann, President. The two (2) entities are undertaking the renovation and expansion of the Bell Brothers Heating & Air Conditioning corporate office and warehouse building at 2822 6th Avenue. The project includes extensive internal renovations to the existing building that converts approximately 3,000 square foot of warehouse to additional office, customer service areas, and employee training areas; and the construction of a new 5,825 square foot addition located on the adjacent lot at 2806 6th Avenue. Total project costs are estimated at \$564,953. The City NCR Loan and Façade Grant participation will allow for an expanded project that includes upgraded, durable materials on the building’s façade along the 6th Avenue frontage that was not originally included in the project design.

FISCAL IMPACT:

Amount: \$170,000 NCR Loan will be repaid with three (3) percent interest over a term of 20 years. The loan will be secured by a mortgage on the property. The NCR Loan will be advanced in stages during the construction phase of the project. \$15,000 NCR Façade Grant is a 1:1 matching grant not to exceed \$15,000 for building façade improvements. The Façade Grant is advanced after completion of the project and satisfaction of all grants and project requirements.

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. FY 2012-2013 Recommended Operating Budget, NCR Loan Program, SP020, Org CDD049900, Project ID CDBG2009049.

ADDITIONAL INFORMATION:

Bell Brothers Heating and Air Conditioning has been located at 2822 6th Avenue since 1955. City staff with Community Development and the Office of Economic Development has been working with Mr. Gassmann on several site and development issues to facilitate the company’s continued growth on this site. The planned renovations and expansion will position the company for future growth by converting existing warehouse space to additional office, customer service, and employee training

areas and by expansion of the facility by 5,825 square feet for new fabrication and warehouse areas. The City approved site plan allows for an additional expansion of the new building up to 7,425 square feet. The renovations and expansion will position the company for continued growth in the city of Des Moines. The company currently employs 54 employees with an average annual income of \$45,000. The company's business plan is to expand the current employment base to nearly 100 employees.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S):

Board: Board of Adjustment

Date: May 21, 2013

Resolution Number: Docket # ZON 2013-00070

Action: Approval of Variance of to the definition of parking space, and Variance of five (5) feet less than minimum required five (5) foot paving setback from a front property line.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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