

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b>	September 9, 2013
	<b>Agenda Item No.</b>	<b>25</b>
	<b>Roll Call No.</b>	<b><u>13-1399</u></b>
	<b>Communication No.</b>	<b><u>13-469</u></b>
	<b>Submitted by:</b>	<b>Matthew A. Anderson, Assistant City Manager</b>

**AGENDA HEADING:**

Resolution for Preliminary Approval of a \$185,000 Neighborhood Commercial Revitalization Loan and \$15,000 Façade Grant to Norris Partners, LLC to assist renovation of the commercial building located at 210 Court Avenue, Des Moines, Iowa.

**SYNOPSIS:**

Norris Partners, LLC, (Tim Rypma, Manager, 510 East Locust, Suite 210, Des Moines, Iowa) is proposing a \$1.1 million historical renovation of the building at 210 Court Avenue. The building has been vacant since the restaurant Judge Roy Bean closed in 2008. Norris Partners, LLC proposes to renovate the ground floor and second story for commercial space. The Developer has obtained approval on its preliminary design plans from the State of Iowa Historical Preservation Office (SHPO). The proposed project’s “as improved” appraisal places a lower than expected market value on the completed project, creating a financing gap that will prevent the project from going forward. The proposed Neighborhood Commercial Revitalization (NCR) Loan and Façade Grant will assist in filling the financial gap allowing the project to proceed.

**FISCAL IMPACT:**

Amount: \$200,000 -- \$185,000 NCR Loan, zero interest for six years with repayment to begin in year seven with two (2) percent interest and payments based on a 20 year amortization; and a \$15,000 NCR Façade Grant disbursed once the project is completed. The NCR Façade Grant is a 1:1 matching grant not to exceed \$15,000 for construction of building façade improvements.

Funding Source: The NCR Program is a CDBG funded program administered by the City’s Office of Economic Development. Fiscal Year (FY) 2012-2013 Recommended Operating Budget, Neighborhood Commercial Revitalization Program, SPO20, CDD049900, Project ID CDBG2009049.

**ADDITIONAL INFORMATION:**

The building located at 210 Court Avenue, built in 1904, was the original home to the Walter Boyt Saddlery Company. It is a two (2) story building that in the past has served manufacturing, warehouse and retail uses. The building is presently listed on the National Register of Historic Places and is a contributing building to the Court Avenue Historical District. Tim Rypma, Managing Member of the Developer, Norris Partners, LLC, has been involved in the successful historic renovation to buildings in the Historic East Village area that include the Studio Block – 506 to 524 East Grand, 422 East Locust, and 424 East Locust.

**Preliminary Terms of Agreement:**

The following points will be defined in detail as part of a formal NCR loan and façade grant agreement between the City and Developer and presented to Council for approval:

1. The Developer will undertake the renovation of 210 Court Avenue to provide retail/commercial space. The total project cost for the purchase and renovation of the building will be at least \$1.1 million.
2. The Developer will provide contributions to the project and acquire construction and permanent first mortgage financing in an amount sufficient to complete the project as proposed. All Developer contributions and mortgage financing must be committed to the project prior to the City's NCR Loan is disbursed. The project must be complete prior to the NCR Façade Grant being disbursed.
3. The NCR Loan will be secured by a mortgage on the property at 210 Court Avenue that will be subordinate to the bank financing. Principals of Norris Partners, LLC will provide limited personal guarantees.

**PREVIOUS COUNCIL ACTION(S): NONE****BOARD/COMMISSION ACTION(S):**

Board: Urban Design Review Board

Date: August 20, 2013

Resolution Number: N/A

Action: A consensus of the members present provided preliminary approval of the project design plans as presented.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

Urban Design Review Board – review and approval of final development plans; City Council – final approval of NCR Loan and Grant Agreement; P&Z and City Council review and action on vacation and lease of a portion of north/south alley for sidewalk café.

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 first 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](mailto:cityclerk@dmgov.org).