

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	April 21, 2014
	Agenda Item No.	35
	Roll Call No.	<u>14-0625</u>
	Communication No.	<u>14-172</u>
	Submitted by:	Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Resolution Approving Agreement for extension of repayment terms for Neighborhood Commercial Revitalization Loan to Kung Fu Tea, LLC, for property at 414 E. 6th Street.

SYNOPSIS:

Recommend approval of the roll call authorizing the Mayor to execute a promissory note extension agreement for the Neighborhood Commercial Revitalization loan to Kung Fu Tea, LLC DBA Gong Fu Tea, 414 E. 6th Street, Des Moines, IA.

FISCAL IMPACT:

Amount: \$31,342.79 being repaid at 3% interest

Funding Source: CDBG Economic Development Financial Assistance Program. Funding Code: SPO23 CMO0980503

ADDITIONAL INFORMATION:

Mr. Russell Bishop and Michael Feller purchased the commercial building at 414 E. 6th Street (FNA Antlers) in 2004. They renovated the vacant portion of the building for a new teahouse, Gung Fu Tea, which they own and operate. Gung Fu Tea specializes in over 100 high quality loose leaf teas for drink-in or take-out use. They sell bulk loose leaf teas, complementary food items (Chai, Bubble Tea, Fruit Smoothies, Pastries, salads, pre-made sandwiches, and the alternative drink coffee), tea preparation accoutrements, gift baskets, and pursue corporate and wholesale sales. The teas are imported from China, India, Japan, Sri Lanka, Argentina, and South Africa. Additionally, they renovated the portion of the building that in the past housed Antlers for rental to the retail store Pure Paper.

On February 23, 2004, by Roll Call No. 04-0389 Council approved a Neighborhood Commercial Revitalization (NCR) loan in the amount of \$50,000 at 3% interest with repayment based on interest only for year one (1), then a 20-year amortization with a five-year maturity to Kung Fu Tea, LLC to assist in improvements to the property. On May 18, 2009, by Roll Call No. 09-0864, Council approved an extension in the payment terms for an additional five (5) years. The NCR loan will mature May 1, 2014 and staff is recommending the extension of the existing payment structure to fully amortize the loan for an additional 11 years at an interest rate of 3%. The Company is current on loan payments.

PREVIOUS COUNCIL ACTION(S):

Date: May 18, 2009

Roll Call Number: [09-864](#)

Action: [Subordination](#) and payment extension documents related to a Neighborhood Commercial Revitalization Loan to Kung Fu Tea, LLC d/b/a Gong Fu Tea for 414 E. 6th Street. ([Council Communication No. 09-321](#)) Moved by Kiernan to adopt. Motion Carried 6-1. Absent: Cownie.

Date: February 23, 2004

Roll Call Number: 04-389

Action: Approval of documents related to Neighborhood Revitalization Loan.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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