

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b>	August 14, 2017
	<b>Agenda Item No.</b>	<b>42</b>
	<b>Roll Call No.</b>	<b><u>17-1380</u></b>
	<b>Communication No.</b>	<b><u>17-582</u></b>
	<b>Submitted by:</b>	<b>Erin Olson-Douglas, Economic Development Director</b>

**AGENDA HEADING:**

Resolution approving documents related to a Neighborhood Commercial Revitalization (NCR) Program Loan for \$185,000 to assist in renovations to 1700 E. University Avenue, Des Moines, IA.

**SYNOPSIS:**

On July 24, 2017, by Roll Call No. 17-12554, City Council gave preliminary approval for a NCR Program Loan in the amount of \$185,000 to Carey Investments, LLC represented by Robert and Colleen Carey, 1450 Delaware Avenue, Des Moines, IA to assist in the renovations to 1700 E University Avenue. Final loan documents for the NCR Loan are now being presented for approval.

**FISCAL IMPACT:**

Amount: \$185,000, 3% interest rate, 20-year amortization

Funding Source: The NCR Loan Program is part of the CDBG funded Economic Development Financial Assistance Program administered by the City’s Office of Economic Development. FY 2016-2017 Recommended Operating Budget, Neighborhood Commercial Revitalization Loan Program, Organization Code CDB04912, Objective # 528035

**ADDITIONAL INFORMATION:**

- The property at 1700 E University, located within the Viva East Bank neighborhood revitalization initiative area, has long been vacant and blighted. It has recently been purchased by Carey Investments, LLC and leased to a related entity, Carey Mobile Power Wash, Inc., with both entities represented by Robert and Colleen Carey, owners, with offices at 1450 Delaware Avenue, Des Moines. The Carey’s intention is to renovate the building for warehouse and office space for its operations. The complete restoration of the building is estimated at \$425,000.
- Community Development staff working with the Viva East Bank neighborhood revitalization initiative engaged with Robert and Colleen Carey upon their purchase of 1700 E University. Initially, the Carey’s were proposing a less extensive renovation of the building. Community Development Staff in partnership with Community Housing Initiatives, Inc. were successful in receiving a Project ReInvest Grant funded by NeighborWorks America. A portion of this grant included \$30,000 of funding directed to the expanded renovations of 1700 E University, specifically for the removal of existing siding and the mansard roof, restoration of original

exterior brick and window replacement. The City's NCR loan and NCR façade grant will further leverage the Project ReInvest Grant for expanded exterior improvements that will include undergrounding of the electrical service, new sidewalks, replacement of gravel parking with concrete, and additional landscaping.

**PREVIOUS COUNCIL ACTION(S):**

Date: July 24, 2017

Roll Call Number: [17-1255](#)

Action: [Preliminary](#) terms of agreement with Carey Investments, LLC for Neighborhood Commercial Revitalization Program Loan for renovations at 1700 E. University Avenue. ([Council Communication No. 17-562](#)) Moved by Moore to approve the preliminary terms of agreement as set forth in Council Communication No. 17-562 and to direct the City Manager or his designee to negotiate final terms of agreement for future consideration by the City Council. Motion Carried 7-0.

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

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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