

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> August 28, 2017
	<b>Agenda Item No.</b> 32 <b>Roll Call No.</b> <u>174-1478</u> <b>Communication No.</b> <u>17-610</u> <b>Submitted by:</b> Erin Olson-Douglas, Economic Development Director

**AGENDA HEADING:**

Preliminary approval of a City loan in the amount of \$100,000 from the Des Moines Action Loan Fund (DMALF) to Port of Des Moines, LLC.

**SYNOPSIS:**

Port of Des Moines, LLC, (Michael La Valle, President, 435 49<sup>th</sup> Street, Des Moines, IA) is developing a new “post-industrial” themed event space in leased space at 320 Martin Luther King, Jr. Parkway to be known as The River Center. The River Center will provide a 6,000-square-foot event space, including a 2,000-square-foot mezzanine, with a total capacity of up to 700 people with a full commercial kitchen and administrative offices in the basement.

Total new investment is estimated at \$1,070,000. The proposed DMALF loan of \$100,000 will be used to purchase furniture, fixtures and equipment and will leverage private equity investment of \$350,000 and bank financing of \$620,000. The River Center anticipates the creation of at least 20 new full-time equivalent positions at wage rates between \$15 and \$22 per hour.

**FISCAL IMPACT:**

Amount: \$100,000

Funding Source: DMALF is funded from the Community Development Block Grant Economic Development Financial Assistance Fund. The loan will bear an interest rate of 3%, be repaid over the term of the lease, and secured by a lien in the restaurant, furniture, fixtures and equipment.

**ADDITIONAL INFORMATION:**

- The Port of Des Moines, LLC currently operates out of several locations. The River Center will provide space in the basement for new administrative offices for the Port of Des Moines, and related entities, J.A. White Riverboat and Embassy China, LLC. The new commercial kitchen will serve the event space and provide additional kitchen capacity for the Port of Des Moines growing catering services and its concession/management agreements with establishments such as the Riverwalk Hub and Trellis Café and Catering at the Greater Des Moines Botanical Center.

**PREVIOUS COUNCIL ACTION(S): NONE**

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

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

Final approval of loan documents.

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 Administration Building, 400 E. Court Avenue Ste.116. 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).