COUNCIL COMMUNICATION

CITY OF DES MOINES CITY MANAGER'S OFFICE	Number:	**26-253**	Meeting:	**July 13, 2026**
	Agenda Item:	**24**	Roll Call:	**26-0833**
	Submitted by:	**Carrie Kruse, Economic Development Administrator**		

AGENDA HEADING:

Resolution approving Loan Agreement with Cedar Ridge Vineyard, LLC for financial assistance for a new Cedar Ridge hospitality, tasting room, cocktail lounge, restaurant/retail, event, and customer experience concept at 1312 Locust Street.

SYNOPSIS:

Recommend approval of a Loan Agreement with Cedar Ridge Vineyard, LLC for a $160,000, 0% forgivable loan to support the renovation and activation of commercial space at 1312 Locust Street in the Western Gateway Park area.

Cedar Ridge is an Iowa-based winery and distillery located in Swisher, Iowa, known for its Iowa Bourbon Whiskey, spirits, wine, events, and hospitality experience. The proposed Des Moines project would bring a well-established Iowa brand into a prominent Downtown location and create a new public-facing destination near Western Gateway Park, major Downtown corporations, a growing number of residential units, hotels, restaurants, and cultural amenities.

The project will convert underutilized space into an active Cedar Ridge hospitality, tasting room, cocktail lounge, restaurant/retail, event, and customer experience concept. The project is expected to include at least $1,000,000 in leasehold improvements and at least $1,325,000 in total project investment. City assistance is intended to help make the project financially feasible and to support specific activation improvements, including activation of the current storage area at the rear of the building and façade alterations that create a stronger indoor-outdoor relationship between the business and the Locust Street frontage.

FISCAL IMPACT:

Amount: $160,000, structured as a 0% forgivable loan

Funding Source: Metro Center Urban Renewal Area Tax Increment Financing

ADDITIONAL INFORMATION:

- Cedar Ridge Vineyard, LLC proposes to lease and renovate commercial space at 1312 Locust Street for a new public-facing Cedar Ridge concept. The project is expected to include a hospitality, tasting room, cocktail lounge, restaurant/retail, event, and customer experience concept associated with Cedar Ridge's Iowa-produced spirits, wine, and brand.

- The proposed project is located in the Western Gateway Park area, a highly visible Downtown district that includes major civic, cultural, office, residential, hotel, restaurant, and visitor-serving uses. Although the area benefits from strong anchors and public investment, several ground-floor commercial spaces in and around the district are underutilized or insufficiently activated.

- The Cedar Ridge project would bring a recognized Iowa business into Downtown Des Moines and create a new destination use that can serve residents, workers, visitors, hotel guests, convention and event attendees, and patrons of nearby arts and cultural amenities. The project is expected to contribute to street-level activity, increase foot traffic, strengthen the hospitality mix in the Western Gateway area, and support broader Downtown activation goals.

- The City's financial assistance is proposed as a $160,000, 0% forgivable loan. Provided Cedar Ridge remains in compliance with the terms of the Loan Agreement, 20% of the loan principal will be forgiven annually over a five (5)-year period.

- The Loan Agreement requires Cedar Ridge to complete a project totaling at least $1,325,000, including not less than $1,000,000 in leasehold improvements. City funds are to be used exclusively for renovation costs associated with the leased commercial space.

- The Loan Agreement includes a proportional reduction provision. If the actual documented total project cost is less than $1,325,000, the City may reduce the amount of the loan, reduce the amount of any loan proceeds disbursed, reduce the amount eligible for forgiveness, or deny payment of a portion or all of the disbursement request in order to retain the same City-assistance-to-total-project-cost ratio.

- The Loan Agreement requires satisfactory documentation prior to fund disbursement, including executed loan and security documents, a fully executed lease for a term of not less than five (5) years, renovation plans approved by the City, properly executed construction contracts, evidence of total project investment, evidence of sufficient funds to complete the project, supporting invoices, lien waivers, and a valid Certificate of Occupancy from the City's Development Services Department. Loan proceeds will be disbursed within 30 days of Cedar Ridge's satisfactory fulfillment of Agreement requirements.

- The project must activate the current storage area at the rear of the building and incorporate improvements that create a stronger indoor-outdoor relationship between the business and the public street frontage. The project is expected to include street-facing garage doors, overhead doors, operable storefront features, or similar design elements that support street-level activation and an indoor-outdoor customer experience.

- As a condition of loan forgiveness, Cedar Ridge must operate the business at 1312 Locust Street as a public-facing Cedar Ridge hospitality, tasting room, cocktail lounge, restaurant/retail, event, and customer experience concept. The business must be open to the public at least five days per week and at least five hours per day on each day it is open.

- Cedar Ridge staff will be required to meet quarterly with City staff for the first three (3) years following disbursement of loan proceeds to discuss business operations, project performance, and any issues affecting continued operation at the premises.

- Cedar Ridge will also be required to submit information and documentation regarding project expenditures and employment as requested by the City, maintain the improvements, comply with all applicable federal, state, and local laws, and display signage provided by the City acknowledging the City's contribution to the project.

- The proposed assistance is not being provided through Restore the Core DSM: Ground Floor Activation because the space has not been vacant for the required period of time under that program. However, staff believes the Cedar Ridge project represents a significant opportunity to activate an important Downtown space, attract a recognized Iowa business to Des Moines, and strengthen the Western Gateway Park area as an active, visitor-serving district.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- Future actions may include administrative approval of final plans and exhibits, review of required disbursement documentation, and ongoing monitoring of compliance with the Loan Agreement.

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