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## Aiming for growth

■ Bankers Trust loan program targets economic progress in Grimes and Windsor Heights

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Keith Snow is a businessman who straddles the old and the new, and hopes that Bankers Trust Co. can help pull the two together.

Those old things are buildings in the Grimes Governors District, a roughly 20-square-block area anchored by Main Street and dotted by buildings that saw their best days 100 years ago. Snow owns three of them, one of which houses his intranet marketing business, B2E Direct Marketing Inc.

A photography studio occupies another, and he is hoping the third, the former Grimes library, can be renovated into contemporary office space.

Bankers Trust comes into play in the form of a business loan program that targets the Governors District in Grimes, where the bank's first branch opened in 1953, and a stretch of University Avenue from 63rd Street to 73rd Street in Windsor Heights.

In both communities, a variety of public funding mechanisms are in place to encourage business development. The Bankers Trust program is the only private initiative.

The bank has branches in both areas. To help encourage business growth near those branches, Bankers Trust started a program last fall that provides loans up to \$250,000 at interest rates that are 2 percent below prime, with a floor of 3 percent.

Snow is applying for a \$50,000 loan to help with the \$100,000 renovation of the old library – before that, the old mercantile store – which he bought from the city for \$1, saving the building from demolition and the city from a \$75,000 wrecking bill.

Suku Radia, Bankers Trust president and CEO, said that one loan has been placed in Grimes, and several more are being considered. The bank follows strict underwriting guidelines in awarding

the loans, the same as it would for any other commercial project.

The program “defines us an organization from the standpoint of supporting our community,” Radia said.

The Governors District Alliance was formed last year, but has been three years in the planning stages, said Snow, who is the organization's president. He credits Steve Rogers, manager of the Bankers Trust branch office in Grimes and a member of its board of directors.

The alliance formed after the city hired a consultant and surveyed residents to determine their vision for the downtown area, which had become a “blighted area of 100-year-old buildings,” Snow said.

Grimes is named after Iowa's third governor, James Grimes, and the alliance plans to celebrate the city's namesake as well as all Iowa governors, hence the name the Governors District.

Though Snow lives in Ankeny, he participated in the discussions because his business is located in town.

Rogers said that the Governors District area had suffered some neglect while development efforts focused on the city's U.S. Highway 141 corridor.

“With this Governors District, we're really trying to make downtown Grimes a destination,” he said.

Among those efforts is identifying uses for a roughly five-block area that was once home to a grain elevator. The city bought the property, tore down the elevator and is working with RDG Planning & Design to determine a use that will become a part of the city's comprehensive development plan, Rogers said.

In Windsor Heights, the loan program will help fund the redevelopment of property at 6733 University Ave., which is in an area that has been the focus the city's efforts to attract more businesses and business customers.

“The city really appreciates Bankers Trust stepping up and making that investment in our community,” City Administrator Marketa George Oliver said.

As in Grimes, the loan program can be used in conjunction with

government-sponsored incentives to help in the rehabilitation of what Windsor Heights considers its town center area.

Grale LLC plans to use the Bankers Trust loan program to renovate and build onto a building at 6733 University Ave. and make other improvements to the property, Oliver said.

The company, whose partners could not be reached for comment, has signed an economic development agreement from the city in which it will receive a \$120,000 grant for the project, providing the property will sustain at least \$476,000 in assessed value for 12 years. In addition, the company is expected to create the equivalent of five full-time positions, according to the agreement, which is on file in the Polk County Recorder's office.

Oliver said she hopes the Bankers Trust program could be used to help businesses that might want to move into the Windsor Heights Town Center at 6600 University Ave. The mixed-use space has been vacant since it was completed two years ago.

“I think it would be a terrific place for somebody who is looking for some really noticeable retail space, a boutique type of retail store,” she said. “It would be nice to have some restaurants in town; a variety of wonderful things could happen there.”

Kurt Mumm, president of the NAI Ruhl & Ruhl Commercial Co. Des Moines region, is helping to market the building. He said that when buyers or tenants are located, the Bankers Trust program will be a benefit.

“Making the financing available is really going to help,” he said. “Having a good program helps.”

John Sorensen, president and CEO of the Iowa Bankers Association, noted that the Bankers Trust program turns around the notion that banks are not trying to make business loans.

“Business customers are waiting for more certainty in the economy before they invest in property and equipment; until that happens, demand won't be what it was,” Sorensen said. “Every banker I talk to is out looking for loans to enhance economic development and get it back in a growth mode.” □

### Highlights of the Bankers Trust business loan program

- Interest rate floating at 2 percent under prime, with a floor of 3 percent
- Three-year guaranteed rate, then floats with the prime rate
- Collateral will be determined by Bankers Trust
- Maximum loan amount of \$250,000 per business
- For new or existing businesses that want to expand, remodel or relocate

### Uses:

- Purchase of real estate for business
- Purchase of empty building for business
- Remodeling of occupied or unoccupied building
- Remodeling of currently unoccupied building
- Purchase of equipment and or fixtures
- Working capital to support expansion
- Purchase existing business
- New construction projects



PHOTO BY DUANE TINKEY

Local business owner Keith Snow hopes to use a Bankers Trust loan program to pay the costs of renovating the former Grimes library on South Main Street. He's hoping to “return it to the tax rolls.”