

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

02-343

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

AGENDA:

SYNOPSIS -

JUNE 17, 2002

On January 8, 2002, by Roll Call No. 02-291, the City Council approved a development agreement with B.H. Temple, Inc., Downtown Preservation Partners, LLC, and the Temple Partners, L.P. for the rehabilitation of the Masonic Temple. These three entities jointly act as the owner and developer of the Masonic Temple Rehabilitation Project.

SUBJECT:

ESCROW AND
DISBURSEMENT
AGREEMENT
RELATING TO
DEPOSIT AND
DISBURSEMENT OF
ECONOMIC
DEVELOPMENT
GRANT AND LOAN
PROCEEDS FOR
MASONIC TEMPLE
BUILDING
DEVELOPMENT

The purpose of this roll call is to approve an Escrow and Disbursement Agreement relating to the deposit and disbursement of the economic development grant and loan proceeds for the Masonic Temple Building Development.

FISCAL IMPACT -

TYPE:

This process change has no fiscal impact.

RESOLUTION
ORDINANCE
RECEIVE/FILE

RECOMMENDATION -

Approval.

SUBMITTED BY:

BACKGROUND -

ERIC A. ANDERSON
CITY MANAGER

The original development agreement contemplated that after deposit of all of the Greater Des Moines Partnership loan proceeds and the developer-funded subordinate financing proceeds, the City would deposit the second economic development grant proceeds and the City's economic development loan proceeds into the escrow account for pro-rata distribution.

The escrow and disbursement agreement before Council does not require initial deposit of the entire amount of the above-listed funds. Instead, portions of the funds from these sources will be deposited on a pro-rata basis and disbursed for construction draws. As required,

remaining funds will be deposited pro-rata for subsequent draws. An Escrow Agent will certify to the City the deposit of funds from the other funding sources when a request is made for deposit of City funds.
