



Council Communication

Office of the City Manager

Date

December 4, 2006

Agenda Item No. 33

Roll Call No. 06-

Communication No. 06-749

Submitted by: Richard A. Clark, City Manager

AGENDA HEADING:

Resolution Approving Collateral Assignment of Economic Development Grant under Development Agreement for Whiteline Lofts, L.L.L.P

SYNOPSIS:

Whiteline Lofts, L.L.L.P (WKKS Properties, L.C., Jeff Schachtner, Managing Member, 7660 Harbach Blvd., Clive, Iowa, 50325) entered into a Development Agreement with the City of Des Moines on June 20, 2005, for the residential redevelopment of Whiteline Lofts located at 120 SW 5th Street. The Development Agreement provides for a \$500,000 Economic Development Grant payable in two equal installments. Whiteline Lofts, L.L.L.P has requested a loan from Bankers Trust Company, N.A. to assist with Whiteline's completion of the project. Bankers Trust will extend the loan, provided Whiteline Lofts, L.L.L.P. assigns its interest in the Economic Development Grant payments to Bankers Trust. Approval of the Collateral Assignment of the Economic Development Grant will satisfy this request.

FISCAL IMPACT: NONE

ADDITIONAL INFORMATION:

The Whiteline Lofts project is an approximately 65-unit condominium conversion of an underutilized warehouse immediately west of the new Science Center of Iowa. The condos range in size from 550 to 3,500 square feet and sales prices are projected to range from \$106,100 to more than \$750,000. The mix of unit sizes and prices will offer a variety of housing options to attract downtown residents. The project will feature underground parking, state-of-the-art technology and wiring in every unit, and views of the downtown skyline, river, and Principal Park. Construction began in August 2005. Units will be ready for occupancy by the end of this year.

PREVIOUS COUNCIL ACTION(S):

Date: June 20, 2005

Roll Call Number: 05-1525

Action: Urban Renewal Development Agreement with WKKS Properties, L.C. for rehabilitation and renovation of former Des Moines Tire Building, Whiteline Lofts, 120 SW 5th Street for residential condominium units and parking improvements. Moved by Kiernan to approve. Motion Carried 6-1.

Date: June 20, 2005

Roll Call Number: 05-1526

Action: A) Communication from Urban Design Review Board. Moved by Kiernan to receive and file. Motion Carried 6-1.

Date: May 9,2005

Roll call Number: 05-1205

Action: Communication from City Manager regarding preliminary terms of Urban Renewal Development Agreement and Economic Development Grant to WKKS Properties, LC (Jeffrey Schachtner, Managing Partner, DSM) for condominium conversion of Des Moines Tire Building, 120 SW 5th Street. ([Council Communication No. 05-237](#)) Moved by Hensley to receive, file and approve the preliminary terms of agreement set forth in the accompanying Council Communication; and to direct the City Manager to proceed with negotiations of a formal urban renewal agreement with WKKS Properties, LC consistent with the approved preliminary terms. Motion Carried 6-1.

BOARD/COMMISSION ACTION(S):

Date: June 7, 2005

Roll Call Number: N/A

Action: Urban Design Review Board approval of the Conceptual Development Plan as presented.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE