

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	March 23, 2015
	Agenda Item No.	26
	Roll Call No.	<u>15-505</u>
	Communication No.	<u>15-140</u>
	Submitted by:	Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Approving Collateral Assignment of Development Agreement by Liberty Building Historic Rehab, LLC represented by Bernard J. Baker III to Bankers Trust Company as security for refinancing the parking garage at 518 Grand Avenue.

SYNOPSIS:

Liberty Building Historic Rehab, LLC “Developer” is requesting the City approve the collateral assignment of any future assistance to be received under the Reduced Economic Development Grant to Bankers Trust Company, as security for the refinancing of the parking garage at 518 Grand Avenue. The First Amendment to the Development Agreement contains provisions that allow the Developer to assign the Development Agreement and any economic development assistance contained therein to a third party with prior City approval. City Legal and OED staffs have reviewed the request and recommend approval.

FISCAL IMPACT: NONE

ADDITIONAL INFORMATION:

On April 6, 2005, by Roll Call No. 05-0814, City Council approved the Urban Renewal Development Agreement with the Liberty Building Development Group, LLC that provided economic development assistance for the historic renovations to the Liberty Building and the development of a private parking garage associated with the project. On April 12, 2010, by Roll Call No. 10-0558, City Council approved the First Amendment to the Urban Renewal Development Agreement that removed Equitable LP as a party to the agreement, provided for a Reduced Economic Development Grant for assistance to the private parking garage, and provided for economic development financial assistance directed to the renovation of five (5) floors of the Liberty Building for a Hyatt Place Hotel.

The First Amendment to the Development Agreement contains provisions that allow the Developer to assign the Development Agreement and any economic development assistance contained therein to a third party with prior City approval. On February 9, 2015, by Roll Call No. 15-0208, the City Council approved a request by Liberty Building Development Group, LLC to assign its interests in the Development Agreement and the Reduced Economic Development Grant to Liberty Building Historic Rehab, LLC, and a related entity. Liberty Building Historic Rehab, LLC is now requesting the City approve the collateral assignment of any future assistance to be received under the Reduced Economic Development Grant to Bankers Trust Company, as security for the refinancing of the parking garage, all as more specifically described in the “Collateral Assignment of Development Agreement dated April 1, 2015, which is on file and available for public inspection in the office of the City Clerk.

PREVIOUS COUNCIL ACTION(S):

Date: February 9, 2015

Roll Call Number: [15-0208](#)

Action: Assignment of Economic Development Grant under First Amendment to Urban Renewal Development Agreement (Liberty Building Rehabilitation, 418 6th Avenue, and Parking Garage Development, 518 Grand Avenue). ([Council Communication No. 15-062](#)) Moved by Gatto to adopt. Motion Carried 7-0.

Date: March 11, 2013

Roll Call Number: [13-0408](#)

Action: [Second](#) Amendment to Urban Renewal Development Agreement with Liberty Building Development Group, LLC for the Liberty Building Rehabilitation and Parking Garage Development. ([Council Communication No. 13-125](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: August 27, 2012

Roll Call Number: [12-1389](#)

Action: [Acknowledging](#) assignment of Economic Development Grant under First Amendment to Urban Renewal Development Agreement - Liberty Building Hotel Renovation Improvements, 418 Sixth Avenue. Sponsor: Hensley. ([Council Communication No. 12-470](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: July 25, 2011

Roll Call Number: [11-1295](#)

Action: [Issuance](#) of Certificate of Completion for the Liberty Building Hyatt Place Hotel renovation improvements Metro Center Urban Renewal Project. ([Council Communication No. 11-497](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: April 12, 2010

Roll Call Number: [10-0558](#)

Action: [First](#) Amendment to Urban Renewal Development Agreement with Liberty Building Development Group LLC for a \$15 million renovation of five floors of the Liberty Building for a 95 room Hyatt Place Hotel. ([Council Communication No. 10-174](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: December 21, 2009

Roll Call Number: [09-2322](#)

Action: [Preliminary](#) Terms of Agreement with Liberty Building Development Group LLC for a \$15 million renovation of 5 floors of the Liberty Building for a 95 room Hyatt Place Hotel. ([Council Communication No. 09-873](#)) Moved by Hensley to receive, file and approve preliminary terms of agreement set forth in the Council Communication and to direct the City Manager to proceed with negotiations of formal agreements with Liberty Building Development Group LLC consistent with the terms set forth in the Council Communication. The City Manager will communicate with existing hotel operators in Des Moines to give information regarding any Economic Development assistance that is available. Motion Carried 4-3. Nays: Kiernan, Mahaffey and Vlassis.

Date: April 6, 2005

Roll Call Number: 05-0814

Action: Approving Urban Renewal Development Agreement with K.C. Holding VI, L.L.C., (Mike Nelson, Managing Member, Urbandale, IA) and Equitable, L.P., (Bob Knapp, Managing Member, WDSM, IA) for redevelopment of Liberty and Equitable Buildings and construction of privately owned parking ramp. ([Council Communication No. 05-178](#)) Moved by Hensley to adopt. Motion Carried 4-1-2. Nays: Vlassis.

BOARD/COMMISSION ACTION(S):

Board: Urban Design Review Board

Date: February 2, 2010

Resolution Number: N/A

Action: Recommendation to City Council for approval of project design and financial assistance as presented.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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