

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	March 23, 2015
	Agenda Item No.	28
	Roll Call No.	<u>15-507</u>
	Communication No.	<u>15-141</u>
	Submitted by:	Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Approving Collateral Assignment of Enterprise Zone Program Agreement with Randolph Apartments GP, LLC to Great Southern Bank as Security for Project Financing.

SYNOPSIS:

The developer, Randolph Apartments GP, LLC (George Sherman, President of George Sherman and Associates, 233 Park Avenue, Suite 201, Minneapolis, MN) is under construction on redevelopment of the Hotel Randolph and its adjacent buildings for a mixed-use project that will create 55 residential units and about 7,700-square-feet of first floor commercial space at 4th Street and Court Avenue.

Randolph Apartments GP, LLC has requested that the City of Des Moines and the Iowa Economic Development Authority (IEDA) consent to the collateral assignment of the Enterprise Zone program agreement that was approved by City Council on April 8, 2013 by Roll Call No. 13-0613 and by IEDA May 21, 2013. Randolph Apartments GP, LLC will assign its interest in the Enterprise Zone Program benefits to Great Southern Bank as security for loans for the completion of the project. This assignment will not impact the Urban Renewal Development Agreement between the City and Randolph Apartments GP, LLC.

FISCAL IMPACT: NONE

ADDITIONAL INFORMATION:

Redevelopment of the Randolph Hotel “complex”, the Hotel Randolph at 202 4th Street, the Youngerman Block Building directly north of the Randolph at 201 4th Street, and the currently vacant adjacent Earle & Le Bosquet Building at 407 Court Avenue, is a much needed project at a highly visible, linchpin location that impacts many other Court Avenue area properties. It retains and greatly improves these buildings which provide a major historic component to the area.

Overall, Court Avenue and the 4th Street corridor linking Walnut Street to the Science Center will receive a boost with this new investment on a large site that has deteriorated significantly over the years. The Randolph is also a new project component in the City’s application to the State’s Iowa Reinvestment Act program which allows cities to retain new sales tax revenues within reinvestment districts.

PREVIOUS COUNCIL ACTION(S):

Date: February 23, 2015

Roll Call Number: [15-0314](#)

Action: [Amended](#) and Restated Development Agreement with Randolph Apartments LLP, represented by George Sherman, Officer, for the renovation of the Hotel Randolph and the adjacent buildings at 4th Street and Court Avenue. ([Council Communication No. 15-089](#)) Moved by Coleman to adopt. Motion Carried 7-0.

Date: November 18, 2013

Roll Call Number: [13-1808](#)

Action: [Collateral](#) Assignment of Development Agreement for the redevelopment of the Randolph Hotel, Earl & Le Bosquet and Youngerman Block buildings with Randolph Apartments Limited Partnership, represented by George Sherman, President, to Cedar Rapids Bank and Trust Company as security for project financing. Moved by Coleman to adopt. Motion Carried 6-0.

Date: November 18, 2013

Roll Call Number: [13-1839](#), [13-1840](#), and [13-1841](#)

Action: [On](#) vacation of portions of the Court Avenue and 4th Street rights-of-way adjoining the Randolph Apartments at 202 4th Street and the conveyance of an easement upon such vacated rights-of-way to legalize the existing building encroachments. Moved by Hensley to adopt. Motion Carried 6-0.

- (A) [First](#) consideration of ordinance above. Moved by Hensley that this ordinance be considered and given first vote for passage. Motion Carried 6-0.
- (B) [Final](#) consideration of ordinance above (waiver requested by the applicant), requires six votes. Moved by Hensley that the rule requiring that an ordinance must be considered and voted on for passage at two Council meetings prior to the meeting at which it is to be finally passed be suspended, that the ordinance be placed upon its final passage and that the ordinance do now pass, [#15,239](#). Motion Carried 6-0.

Date: April 8, 2013

Roll Call Number: [13-0612](#) and [13-0613](#)

Action: [Preliminary](#) terms of agreement with Randolph Apartments GP LLC for the redevelopment of the Hotel Randolph and the adjacent Earl & Le Bosquet and Youngerman Block buildings located at the NW corner of 4th Street and Court Avenue, 55 residential units and first floor commercial space. ([Council Communication No. 13-157](#)) Moved by Hensley to adopt. Motion Carried 7-0.

- (A) [Application](#) to the Iowa Economic Development Authority for enterprise zone benefits for the Randolph Apartments GP LLC Housing Project in the Gateway Enterprise Zone. Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Urban Design Review Board

Date: August 20, 2013

Resolution Number: N/A

Action: Unanimously recommended approval of the proposed tax increment assistance package and the proposed development designs (quorum not present).

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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