

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> June 13, 2016
	<b>Agenda Item No.</b> 37 <b>Roll Call No.</b> <u>16-0964</u> <b>Communication No.</b> <u>16-323</u> <b>Submitted by:</b> Matthew A. Anderson, Assistant City Manager

**AGENDA HEADING:**

Approving an indemnification and hold harmless agreement with 101 East Grand Parking, LLC and West Bank, concerning the new parking garage site east of City Hall.

**SYNOPSIS:**

Staff recommends approval of this agreement to permit construction of the new parking garage to begin immediately and avoid costs that will arise from delay in commencing construction. A portion of the parcel to be conveyed to the developer for construction of the parking garage is still encumbered by a recorded parking lease. The parking spaces are leased to Atrium for use by Embassy Suites hotel guests; with the cooperation of the hotel, this parking has been relocated to a new temporary parking lot and designated on-street parking spaces. This agreement with 101 East Grand Parking, LLC (the Developer) and West Bank (their lender) will indemnify the Developer and its lender from any claims or damages asserted against them by Atrium and Atrium’s leasehold mortgage lender, arising from West Bank's purchase, redevelopment and use of a portion of the parking lot originally leased to Atrium and consumed for construction of the new parking garage.

**FISCAL IMPACT:**

Amount: This agreement does not change the original \$27.5M lease-purchase price for acquiring the East 2nd and Grand Parking Garage approved on April 11, 2016.

Funding Source: Parking system revenues will be used to secure financing/pledged for payments for the lease-purchase.

**ADDITIONAL INFORMATION:**

On April 11, 2016, Council approved the proposed plans, specifications and estimated cost of the Lease Purchase of the East 2nd and Grand Parking Garage, a proposed Lease Purchase Agreement between the City of Des Moines, 101 East Grand Parking, LLC and West Bank, and an Urban Renewal Agreement for Sale of Land for redevelopment with 101 East Grand Parking, LLC (Jake Christensen and Tim Rypma, officers and Jim Cownie, principal investor) for disposition and redevelopment of City-owned parking lots east of City Hall in the Metro Center Urban Renewal Area. This agreement will facilitate the start of construction on the parking garage and reduce the risk of delays and additional costs.

**PREVIOUS COUNCIL ACTION(S):**

Date: May 9, 2016

Roll Call Number: [16-0815](#)

Action: [Approving](#) Amendment to Agreement with 101 East Grand Parking, LLC regarding the professional services agreements and design documents for the design and construction of the proposed City Hall Parking Garage, to expand the scope to include the construction of the Temporary Parking Lot. Sponsor: Council Member Gatto. ([Council Communication No. 16-264](#)) Moved by Gatto to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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