

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> June 26, 2017
	<b>Agenda Item No.</b> 32 <b>Roll Call No.</b> <u>17-1062</u> <b>Communication No.</b> <u>17-506</u> <b>Submitted by:</b> Erin Olson-Douglas, Economic Development Director

**AGENDA HEADING:**

Approval of Assumption and Extension Agreement for City loan with Hoxie's Addition, LC.

**SYNOPSIS:**

Recommend approval of the Assumption and Extension Agreement that provides for the assumption of the City loan to Principant Hotel, LC by Hoxie’s Addition LC, (Jeff Hunter, owner, 410 27<sup>th</sup> Street, Des Moines, IA) and provides for continued payment on the loan until fully repaid. Loan is secured by Assignment of Lease and Rents from ground lease and parking lease revenues from Davis Brown Tower, 215 10<sup>th</sup> Street, Des Moines.

**FISCAL IMPACT: NONE**

Amount: \$108,243

Funding Source: Economic Development Enterprise Account

**ADDITIONAL INFORMATION:**

- In December 2000, City Council approved a City loan to Principant Hotel Company, LC, Jeff Hunter, owner, as part of a \$2,600,000 renovation to the Hotel and the former 10<sup>th</sup> and Walnut parking garage. The Principant Hotel Company, LC is being liquidated and Mr. Hunter has established a new limited liability company, Hoxie’s Addition, LC, to own the land at 10<sup>th</sup> & Walnut. The land is leased with the Davis Brown Tower and parking garage, 215 10<sup>th</sup> Street, built upon the land. The City loan has matured with a balance of \$141,288, Mr. Hunter applied \$50,000 towards accrued interest and principal and requested the balance of \$108,243 be extended with monthly payments until fully amortized. The Assumption and Extension Agreement, and Assignment of Rents and Lease, have been prepared and reviewed by City Legal and executed by Mr. Hunter, as member/manager of Hoxie’s Addition, LC.

**PREVIOUS COUNCIL ACTION(S):**

Date: December 18, 2000

Roll Call Number: 00-4656

Action: Documents relating to a Des Moines Loan, to Principiant Hotel Company, L.C., (10th and Walnut, Jeff Hunter, Owner), \$400,000. ([Council Communication No. 00-582](#)). Moved by Brooks to approve. Motion Carried 7-0.

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

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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