

Date March 23, 2015

RESOLUTION APPROVING COLLATERAL ASSIGNMENT OF URBAN RENEWAL DEVELOPMENT AGREEMENT WITH LOCUST STREET INVESTMENTS, L.L.C. TO FREEDOM FINANCIAL BANK AS SECURITY FOR PROJECT FINANCING

WHEREAS, on June 23, 2014, by Roll Call No. 14-0998, the City Council approved an Urban Renewal Development Agreement (the "Agreement") with Locust Street Investments, L.L.C. ("Locust Street"), represented by Chad Rasmussen, whereby Locust Street has agreed to redevelop and restore the existing two-story historic buildings and lot at 1420, 1424 and 1430 Locust Street ("Property"), for use as office, restaurant and/or retail space and parking or patio space and in accordance with historic rehabilitation requirements in exchange for the City's agreement to provide an economic development grant payable in ten annual installments in an amount equal to 75% of the incremental taxes generated by the redevelopment of the Property (estimated to be \$97,400 annually); and

WHEREAS, Locust Street has requested City approval of a Collateral Assignment of Urban Renewal Development Agreement, whereby Locust Street assigns its interest in the Agreement to Freedom Financial Bank as security for loans to be used to finance the proposed redevelopment project, while retaining the obligation to complete the project pursuant to the Agreement; and

WHEREAS, Locust Street has also requested City approval of a Lease agreement between Locust Street and Locust Street Investments Master Tenant, LLC, whereby Locust Street leases the Property to a master tenant, who will in turn sublease the Property for office and restaurant or retail purposes following redevelopment; and

WHEREAS, copies of the proposed Collateral Assignment of Urban Renewal Development Agreement and of the Lease agreement are on file and available for public inspection in the office of the City Clerk.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that:

1. The Collateral Assignment of Urban Renewal Development Agreement between Locust Street Investments, L.L.C. and Freedom Financial Bank, and the Lease between Locust Street Investments, L.L.C. and Locust Street Investments Master Tenant, L.L.C., in the form on file in the office of the City Clerk, are hereby approved.
2. The Mayor is hereby authorized and directed to execute the Collateral Assignment on behalf of the City of Des Moines, and the City Clerk is authorized and directed to attest to his signature and to forward the Assignment to the Office of Economic Development for recording.
3. The City Manager or his designees are hereby authorized and directed to administer the Urban Renewal Development Agreement, and the Collateral Assignment thereof, on behalf of the City and to monitor compliance by the Developer with the terms and conditions of the Agreement. The City Manager is further directed to forward to City Council all matters and documents that require City Council review and approval in accordance with the Agreement.

★ Roll Call Number

Agenda Item Number

27

Date March 23, 2015

Moved by _____ to adopt.

APPROVED AS TO FORM:

Glenna K. Frank
Glenna K. Frank, Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GATTO				
GRAY				
HENSLEY				
MAHAFFEY				
MOORE				
TOTAL				
MOTION CARRIED	APPROVED			

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

Mayor

City Clerk