

Date March 23, 2015

APPROVING COLLATERAL ASSIGNMENT OF ENTERPRISE ZONE PROGRAM AGREEMENT WITH RANDOLPH APARTMENTS GP LLC, REPRESENTED BY GEORGE SHERMAN, PRESIDENT, TO GREAT SOUTHERN BANK AS SECURITY FOR PROJECT FINANCING

WHEREAS, on February 23, 2015, by Roll Call No. 15-0314, the City Council approved an Urban Renewal Development Agreement with Randolph Apartments LLC (hereinafter "Randolph Apartments"), represented by George Sherman, President of Sherman Associates, Inc., whereby Randolph Apartments has agreed to redevelop the Hotel Randolph and the adjacent Earle & Le Bosquet and Youngerman Block buildings at 4th Street and Court Avenue for a mixed use project that will create 55 residential units and first floor commercial space in exchange for the City's agreement to provide an economic development grant in the total amount of up to \$3,400,000 payable in ten annual installments; and,

WHEREAS, the redevelopment of the Hotel Randolph and the adjacent Earle & Le Bosquet and Youngerman Block buildings is also receiving Enterprise Zone Program benefits pursuant to a Housing Enterprise Zone Program Agreement between Randolph Apartments GP LLC, the Iowa Economic Development Authority and the City dated as of May 21, 2013, and approved by the City Council on April 8, 2013, by Roll Call No. 13-0613; and,

WHEREAS, Randolph Apartments has requested City approval of a *Collateral Assignment of Housing Enterprise Zone Program Agreement* whereby Randolph Apartments GP LLC assigns its interest in the Enterprise Zone Program Agreement to Great Southern Bank as security for loans to be used to finance the purchase and rehabilitation of the Hotel Randolph and the adjacent Earl & Le Bosquet and Youngerman Block buildings as contemplated by the Urban Renewal Development Agreement; and,

WHEREAS, a copy of the proposed *Collateral Assignment of Housing Enterprise Zone Program Agreement* is 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, as follows:

1. The proposed *Collateral Assignment of Housing Enterprise Zone Program Agreement* referenced above is hereby approved, subject to such minor changes as may be required by the Bank and approved by the Legal Department as having no detrimental impact upon the City's interests.
2. The Mayor is hereby authorized and directed to execute the *Collateral Assignment of Housing Enterprise Zone Program Agreement* on behalf of the City of Des Moines, and

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the City Clerk is hereby authorized and directed to attest to the Mayor's signature on the Agreement.

- 3. Upon execution of the *Collateral Assignment of Housing Enterprise Zone Program Agreement*, the City Clerk is authorized and directed to forward the Agreement to the Office of Economic Development for release to and recording by Randolph Apartments.

(Council Communication No. 15- 141)

MOVED by Gray to adopt.

FORM APPROVED:

Roger K. Brown

Roger K. Brown

Assistant City Attorney

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COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				✓
COLEMAN	✓			
GATTO	✓			
GRAY	✓			
HENSLEY	✓			
MAHAFFEY	✓			
MOORE	✓			
TOTAL	6			1

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.

T. M. Franklin Mayor

Diane Rauh City Clerk