

## Meeting Agendas/Info

CITY COUNCIL  
COMMUNICATION:

ITEM \_\_\_\_\_

01-475

### OFFICE OF THE CITY MANAGER CITY OF DES MOINES, IOWA

**AGENDA:**

SEPTEMBER 10, 2001

**SYNOPSIS -**

At their August 6, 2001 meeting, the Council agreed to purchase the Masonic Temple building from the Temple Partners, L.P. in the event that the partnership acquires the building but is unable to finalize its agreement with the City and obtain the necessary financing.

**SUBJECT:**

AGREEMENT TO  
PURCHASE  
MASONIC TEMPLE  
IN EVENT  
DEVELOPER IS  
UNABLE TO  
PROCEED

The Council is requested to approve the Agreement for the Purchase of Real Estate and to authorize and direct the Mayor to sign the agreement on behalf of the City.

On May 7, 2001, the Council selected Downtown Preservation Partners, LLC (Harry Bookey, Managing Partner, 400 Locust, Des Moines) as the developer for the Masonic Temple Rehabilitation Project. Downtown Preservation Partners propose to acquire the Masonic Temple building in the name of the Temple Partners, L.P., a related partnership.

**TYPE:**

**RESOLUTION**  
ORDINANCE  
RECEIVE/FILE

**FISCAL IMPACT -**

The funds for property acquisition or participation in the rehabilitation project (\$1,100,000) are budgeted in this fiscal year's Gateway budget.

**SUBMITTED BY:**

ERIC A. ANDERSON  
CITY MANAGER

**RECOMMENDATION -**

**It is recommended that the Council approve the Agreement to Purchase Real Estate. This agreement will allow the Temple Partnership to move forward with the purchase of the building prior to the finalization of the development agreement. Mr. Bookey has requested an extension by the Masonic Temple Association for a decision on the purchase of the Temple.**

**BACKGROUND -**

On May 7, 2001, the Council selected Downtown Preservation Partners, LLC as the developer for the Masonic Temple. Downtown Preservation Partners has made good progress in working with the Masons to acquire the property and in identifying financing sources. Every effort will be required by the developer and the City to ensure the project is completed (at a minimum the exterior improvements) by December 2002.

The agreement before Council allows the City to purchase the Masonic Temple in the event that the Temple Partnership, L.P. (a related partnership of Downtown Preservation Partners, LLC) acquires the building but is unable to finalize the agreement with the City and obtain the required financing. Following are the major tenants of the agreement:

1. If Temple Partners, L.P. does not give notice to the City on or before October 1, 2001, the Agreement has no force or effect.
2. Closing shall occur on July 1, 2002 unless the Temple Partners, L.P. has entered into a development agreement with the City to rehabilitate the property; the Temple Partners have obtained the required project financing; and the Temple Partners, L.P. have commenced construction.
3. The purchase price is \$1,100,000.
4. At the time of closing, the Temple Partners will deliver possession free and clear of leasehold interests except for those tenants whose tenancy is month-to-month.

This agreement allows the acquisition of the Masonic Temple by the Temple Partners, L.P. to proceed in a timely manner with minimal risk to the developer. The terms of the agreement establishes a reasonable timeline for the developer to identify and secure the required financing while ensuring that the City can meet it's obligation for the rehabilitation of the building.

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