



Agenda Item:

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COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 11/08/04
04-573

Communication No.:

Agenda Item Type: Resolution

Roll Call No.: 04-

Submitted by: Richard Clark, Deputy City Manager

SUBJECT—

Resolution approving the assignment of the urban renewal lease to Nelson Development 12., LLC and collateral assignment of the lease for property located at 101 SW 4th St.

SYNOPSIS—

The City Council on September 13, 2004 approved a 50 year land lease with Nelson Development, LLC (Jake Christensen and Mike Nelson, Officers/ 4183 NW Urbandale Dr., Urbandale, Ia. 50322) for the construction of a privately-owned parking structure, available for public use, to be located on City-owned property at 101 SW 4th Street (Disposition Parcel No. 01-05/Metro Center Urban Renewal Area).

FISCAL IMPACT—

None

RECOMMENDATION—

Approval

BACKGROUND—

The City Council on September 13, 2004 approved a 50 year land lease with Nelson Development LLC (Jake Christensen and Mike Nelson, Officers/ 4183 NW Urbandale Dr., Urbandale, Ia. 50322) for the construction of a privately-owned parking structure, available for public use, to be located on City-owned property at 101 SW 4th Street (Disposition Parcel No. 01-05/Metro Center Urban Renewal Area).

The lease requires Council approval if the developer desires to assign the lease, such as for financing purposes.

The developers have requested City approval to assign its interest in the Lease Agreement to a related entity, Nelson Development 12, LLC, and to secure the necessary financing, the City has also been requested to execute a Collateral Assignment of Lease Agreement with the developer and the primary lender, Freedom Financial Bank (7380 Vista Dr., West Des Moines, Roger Rinderknecht, President).

The Legal Department has reviewed both sets of documents and found such documents facilitate the financing of construction of the parking garage improvements and do not adversely impact the interests of the City.