

Date April 5, 2021

**RESOLUTION APPROVING COLLATERAL ASSIGNMENT OF DEVELOPMENT AGREEMENT WITH 3801 GRAND ASSOCIATES, L.P. AND NEWBURY MANAGEMENT COMPANY TO BANKERS TRUST COMPANY AS SECURITY FOR PROJECT FINANCING**

**WHEREAS**, on February 8, 2021, by Roll Call No. 21-0203, the City Council approved an Urban Renewal Development Agreement (the “Development Agreement”) with 3801 Grand Associates, L.P., Owner, and Newbury Management Company d/b/a Newbury Living, Developer (collectively “Developer”), represented by Frank Levy, President, whereby Developer will undertake the construction of a new four-story, approximately 130,000 square-foot multi-residential building to be known as “The James” with 56 apartment units and 69 below-grade parking stalls located at 3801 Grand Avenue in the 38<sup>th</sup> and Grand Urban Renewal Area, which is expected to contain a mix of approximately three studio units, 15 one-bedroom units, 27 two-bedroom units and 11 three-bedroom units (“Improvements”), at an estimated total project cost of \$33,500,000.00 including property purchases, subject to acquisition by Developer of the 3801 Grand Avenue campus and land acquisitions of 3705-3707 Grand Avenue, in exchange for the City’s agreement to provide an economic development grant for 11 years from the tax increment generated by the Improvements, in the amount of one-hundred percent (100%) of project-generated TIF, in an estimated total amount of \$4,700,000.00 (cash basis; \$3,300,000.00 on a net present value basis at a 4.5% discount rate); and

**WHEREAS**, Developer has requested City approval of a Collateral Assignment of Development Agreement, whereby Developer assigns its interest in the Development Agreement to Bankers Trust Company as security for loans to be used to finance the proposed development project, while retaining the obligation to complete the project pursuant to the Agreement; and

**WHEREAS**, a copy of the proposed Collateral Assignment of Development 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, that:

1. The Collateral Assignment of Development Agreement between Developer and Bankers Trust Company, in substantially the form on file in the office of the City Clerk, is 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.

 **Roll Call Number**

**Agenda Item Number**

22

**Date** April 5, 2021

Moved by \_\_\_\_\_ to adopt.

APPROVED AS TO FORM:

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

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
BOESEN				
GATTO				
GRAY				
MANDELBAUM				
VOSS				
WESTERGAARD				
TOTAL				

MOTION CARRIED

APPROVED

\_\_\_\_\_  
Mayor

**CERTIFICATE**

I, P. KAY CMELIK, 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.

\_\_\_\_\_  
City Clerk