



Roll Call Number

21-0545

Agenda Item Number

22

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 38th 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.

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Moved by Gatto 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	7			

J. M. Frankin Cownie 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.

P. Kay Cmelik City Clerk