

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	November 9, 2015
	Agenda Item No.	35
	Roll Call No.	<u>15-1875</u>
	Communication No.	<u>15-597</u>
	Submitted by:	Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Approving partial release of real estate mortgage to facilitate the sale of 3815 East 14th Street.

SYNOPSIS:

Johnson Development, L.C. (Robert Johnson, 939 Office Park Road Suite 333 West Des Moines, Iowa 50265) is closing on a transaction to purchase 3815 East 14th Street. The property, a former Fazoli's restaurant, is planned for redevelopment as commercial use.

A mortgage between the City and Eastgate Plaza, LLC (Norman Weinstein, President, 75 NE 6th Avenue, Suite 103, Delray Beach, Florida 33445) went into effect in 2006 as security for a \$350,000 loan. The mortgage's legal description inadvertently included the property at 3815 East 14th Street, but the parcel had previously been conveyed by special warranty deed to another party and was never owned by Eastgate Plaza, LLC. This has created a cloud on the title of the property, which needs to now be cleared to allow for purchase of the property by Johnson Development, LC. The City's partial release of the mortgage will allow this transaction to move forward.

FISCAL IMPACT: NONE

ADDITIONAL INFORMATION:

This partial release will not affect the City's lien as to the remainder of the property owned by Eastgate Plaza, LLC. Of the original loan, \$150,000 has been repaid and \$200,000 is due to be repaid by Eastgate Plaza, LLC by January 1, 2016.

PREVIOUS COUNCIL ACTION(S):

Date: November 4, 2013

Roll Call: [13-1727](#)

Action: [First](#) Amendment to Economic Development Loan Agreement with Eastgate Plaza LLC. ([Council Communication No. 13-546](#)) Moved by Coleman to adopt. Motion Carried 6-0.

Date: May 8, 2006

Roll Call Number: [06-0945](#)

Action: [Economic](#) Development Loan Agreement with Eastgate Plaza, LLC for redevelopment of the Shops at Eastgate (northeast corner of E. 14th Street and Euclid Avenue). ([Council Communication No. 06-265](#)) Moved by Mahaffey to adopt. Motion carried 6-1. Pass: Kiernan.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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