



**Date** December 18, 2017

**RESOLUTION APPROVING MASTER SUBORDINATION AGREEMENT AND ESTOPPEL CERTIFICATE FOR REFINANCING OF THE EAST VILLAGE SQUARE APARTMENTS AT 333 E. GRAND AVENUE**

**WHEREAS**, on December 6, 2004, by Roll Call No. 04-2661, the City Council approved an Urban Renewal Development Agreement with East Village Square Apartments, L.P. (the “Developer”), whereby the Developer agreed to construct the East Village Square Apartments consisting of a 109-unit apartment building and associated surface parking at the southwest corner of E. 4<sup>th</sup> Street and E. Grand Avenue, and the City agreed to provide certain financial incentives for the project, including a deferred repayment Economic Development Loan in the amount of \$2,555,795 and a deferred payment HOME Program Loan in the amount of \$1,050,000; and

**WHEREAS**, on July 18, 2005, by Roll Call No. 05-1684, the City Council approved a First Amendment to the Development Agreement amending the conditions for the release of the loan proceeds from the City, and a Master Subordination Agreement establishing the priorities of the various liens and covenants held by the City and other parties involved in financing the project; and

**WHEREAS**, on July 10, 2006, by Roll Call No. 06-1348, the City Council approved a First Amendment to the Development Agreement which increased the number of designated HOME units and increased the HOME Program Loan by \$50,000 to a new total of \$1,100,000; and,

**WHEREAS**, on December 4, 2006, by Roll Call No. 06-2381, the City Council issued a Certificate of Completion for successful completion of the East Village Square Apartments project; and

**WHEREAS**, on May 18, 2015, by Roll Call No. 15-0826, City entered into a Master Subordination Agreement and Estoppel Certificate addressing the priority of the liens and interests of all the various parties providing funding for the project, to permit the refinancing of the first mortgage lien on the East Village Square Apartments; and

**WHEREAS**, Developer has requested that the City approve a new proposed East Village Square Master Subordination Agreement and Estoppel Certificate (hereinafter the “updated Master Subordination Agreement”) addressing the priority of the liens and interests of all the parties providing funding for the project, to permit the refinancing of the first mortgage lien on the East Village Square Apartments; and



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WHEREAS, the proposed updated Master Subordination Agreement does not subordinate any of the HOME program covenants and the project has been inspected annually under the HOME program guidelines to ensure compliance; and

WHEREAS, a copy of the proposed updated Master Subordination 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 as follows:

- 1. The proposed East Village Square Apartments Master Subordination Agreement and Estoppel Certificate among the City, Developer, and the other lenders to the project is hereby approved.
2. The Mayor is hereby authorized and directed to sign the updated Master Subordination Agreement on behalf of the City of Des Moines, and the City Clerk is hereby authorized and directed to attest to the Mayor's signature on the document.

(Council Communication No. 17-847)

MOVED BY \_\_\_\_\_ TO ADOPT

FORM APPROVED:

Glenna K. Frank
Assistant City Attorney

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, COLEMAN, GATTO, GRAY, HENSLEY, MOORE, WESTERGAARD, and TOTAL.

CERTIFICATE

I, DIANE RAUH, 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.

MOTION CARRIED APPROVED

Mayor

City Clerk