

★ Roll Call Number

14-1067

Agenda Item Number

41B

Date July 14, 2014

AUTHORIZING COMMUNITY DEVELOPMENT DIRECTOR TO SIGN A SUBORDINATION AGREEMENT (CDBG-DR LOAN) FOR ADDITIONAL PRIVATE LOAN TO FINANCE FIFTH FLOOR BUILDOUT

WHEREAS, on March 11, 2013 by Roll Call No. 13-0421, the City Council approved an Urban Renewal Agreement for Sale of Land for Private Redevelopment between the City and East Village Growth Partners, LLC ("Development Agreement") for the construction of a five story mixed-used building containing at least twenty residential units and at least 5,700 square feet of area devoted for retail, office or restaurant uses on Disposition Parcel No. 02-1A located north of East Locust Street and west of East Fourth Street; and

WHEREAS, by Roll Call No. 13-1476 of September 23, 2013, the City Council approved a \$3,000,000 Community Development Block Grant Disaster Recovery (CDBG-DR) loan to East Village Growth Partners, LLC and all related contractual and security documents; and

WHEREAS, by separate resolution of this date, the City Council approved the Second Amendment to Development Agreement to allow for non-residential use of fifth floor of the building and approved a long term lease of the fifth floor of the building to JSC Properties, Inc. and a subordinate mortgage of the building to JSC Trust; and

WHEREAS, to enable the private loan financing of the fifth floor improvements, First American Bank, as holder of the first position mortgage, and the City as holder of the CDBG-DR loan mortgage have been requested to execute a Subordination, Non-Disturbance and Attornment Agreement.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa that the Subordination, Non-Disturbance and Attornment Agreement between the City of Des Moines, American Bank, East Village Growth Partners, LLC, JSC Properties, Inc. and JSC Trust is hereby approved and the Community Development Director is hereby authorized and directed to sign such Agreement on behalf of the City of Des Moines.

Moved by Hensley to adopt.

APPROVED AS TO FORM:

[Signature]

Lawrence R. McDowell Deputy City Attorney

(Council Communication No. 14-346)

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COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
COLEMAN	✓			
GATTO	✓			
GRAY	✓			
HENSLEY	✓			
MAHAFFEY	✓			
MOORE	✓			
TOTAL	7			

MOTION CARRIED APPROVED [Signature] Mayor

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.

[Signature] City Clerk