



Roll Call Number

16-0777

Agenda Item Number

37

Date May 9, 2016

RESOLUTION APPROVING SUBORDINATION AGREEMENT BETWEEN TWO RIVERS BANK & TRUST, BECKLEY PROPERTIES, LLC, AND THE CITY OF DES MOINES

WHEREAS, on April 22, 2002 by Roll Call No. 02-1037, the City Council approved a Loan Agreement, Promissory Note and Subordinate Real Estate Mortgage for \$80,000.00 with Beckley Properties, LLC and Beckley Imports, Inc. (hereinafter collectively referred to as "Company") for new construction of the commercial building located at 901 Eighth Street, Des Moines; and

WHEREAS, on October 21, 2013, by Roll Call 13-1643, the City Council approved the subordination of the City Mortgage to new mortgage financing provided by Community Business Lenders Service, LLC that refinanced then existing mortgage debt on the building, and

WHEREAS, Company is requesting that the City subordinate its existing collateral position on the real estate to facilitate the refinance of the existing first real estate mortgage with a balance of \$720,000.00, including usual and customary closing and filing fees, and new funds of \$170,000.00 for a new loan from Two Rivers Bank & Trust of \$890,000; and

WHEREAS, the subordination agreement, attached hereto, has been approved by the legal department.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa that the subordination agreement which subordinates the City's mortgage from Beckley Properties, LLC given to secure the City Des Moines Economic Development Loan to a new loan from Two Rivers Bank & Trust in the amounts of \$890,000 on 901 Eight Street, Des Moines is hereby approved and the Mayor is authorized and directed to execute such document on behalf of the City.

(Council communication No. 16-238)

APPROVED AS TO FORM:

Moved by Hensley to adopt.

Thomas G. Fisher, Jr.

Assistant City Attorney

Table with columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, COLEMAN, GATTO, GRAY, HENSLEY, MOORE, WESTERGAARD, and TOTAL (7).

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.

Mayor signature: T. M. Franklin

City Clerk signature: Diane Rauh