



Roll Call Number

16-1529

Agenda Item Number

52

Date September 12, 2016

RESOLUTION APPROVING FORBEARANCE AGREEMENT AND MORTGAGE AMENDMENT BETWEEN TEACHOUT PROPERTIES, L.L.C. AND THE CITY OF DES MOINES

WHEREAS, on April 5, 1999 and on September 27, 1999, the City entered into two Urban Renewal Development Agreements between the City and Teachout Properties, L.L.C. to rehabilitate buildings located at 500 East Locust Street and 504 East Locust Street in Des Moines; and

WHEREAS, Teachout Properties, L.L.C. defaulted on both Agreements and the City formally declared Teachout Properties in default on April 9, 2010; and

WHEREAS, the City and Teachout Properties, L.L.C. have negotiated an agreement whereby the City would forebear seeking its remedies against Teachout Properties, L.L.C. as a result of the defaults; and

WHEREAS, the Forbearance Agreement would result in a revised payment plan in exchange for additional security to support future payments and payment of multiple outstanding fees due from Teachout Properties, L.L.C. and related entities; and

WHEREAS, the Forbearance Agreement and an associated amendment to one of the Mortgages supporting the Urban Renewal Development Agreements have been approved by the Legal Department.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Des Moines, Iowa, that the Forbearance Agreement, attached hereto, and the Amendment to Mortgage, attached hereto, are hereby approved and the Mayor is authorized and directed to execute the Forbearance Agreement on behalf of the City.

(Council Communication No. 16-519)

MOVED by Gatto to adopt.

FORM APPROVED:

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.

Y. M. Franklin Council Mayor

Diane Rauh City Clerk