



Roll Call Number

17-1378

Agenda Item Number

40

Date August 14, 2017

RESOLUTION APPROVING FIRST AMENDMENT TO SUBORDINATION AGREEMENT WITH WILKINS REDEVELOPMENT, LLC

WHEREAS, on July 13, 2015, by Roll Call No. 15-1156, the City Council approved a \$3,000,000 Community Development Block Grant - Disaster Recovery Agreement and correlating loan and covenant documents for development of 60 units of housing at 713 Walnut Street, known as the Wilkins Building (formerly Younkers Building), with Blackbird Investments, LLC or its successor entity Wilkins Redevelopment, LLC; and

WHEREAS, on November 23, 2015, by Roll Call No. 15-1969, the City Council approved a First Amendment to Community Development Block Grant-Disaster Recovery (CDBG-DR) Agreement for development of 60 units of housing at the Wilkins Building with Wilkins Redevelopment, LLC, to allow for grant funding of "soft" costs or pre-construction work such as building acquisition, architect and engineering costs, and similar costs rather than construction costs; and

WHEREAS, on May 31, 2016, by Roll Call No. 16-0913, the City Council approved an amendment to the CDBG-DR Agreement and related documents to update the legal description of the parcel, and approved a Subordination Agreement with senior lender Lincoln Savings Bank and a Subordination, Nondisturbance and Attornment Agreement with federal investor East West Bank to allow Developer to finance the project, subject to the requirement that the CDBG-DR Funded Restrictive Covenant shall not be subordinated as part of said Agreements; and

WHEREAS, Developer is now requesting a First Amendment to Subordination Agreement, in form on file in the office of the City Clerk, to acknowledge an increase in the maximum amount secured under the Lincoln Savings Bank mortgage on the project from \$16,624,709 to \$19,926,102.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that the First Amendment to Subordination Agreement, as on file in the City Clerk's office, is hereby approved; the Director of the Community Development Department is hereby authorized and directed to execute and record said amendment on behalf of the City; and the Director of the Community Development Department and his designee(s) are directed to administer and monitor the terms of the amendment for compliance by Wilkins Redevelopment, LLC.

FORM APPROVED:

Glenna K. Frank, Assistant City Attorney

MOVED BY Hersley TO ADOPT.

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, COLEMAN, GATTO, GRAY, HENSLEY, MOORE, WESTERGAARD, and TOTAL (7 yeas).

MOTION CARRIED APPROVED T. M. Franklin Council 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.

Diane Rauh City Clerk