



Roll Call Number

17-1573

Agenda Item Number

35

Date September 11, 2017

RESOLUTION APPROVING AMENDMENT TO SUBORDINATION AGREEMENT BETWEEN COMMUNITY BUSINESS LENDERS SERVICE COMPANY, LLC, COSMOPOLITAN HOLDINGS, LLC AND THE CITY OF DES MOINES.

WHEREAS, on August 24, 2009, by Roll Call No. 09-1556, the City Council approved a City Neighborhood Commercial Revitalization (NCR) Program loan for \$100,000.00 to Cosmopolitan Holdings, LLC (hereinafter referred to as "Developer") for renovation of the commercial building located at 301 East Walnut Street, Des Moines; and

WHEREAS, on May 5, 2014, by Roll Call No. 14-0699, the City agreed to subordinate its loan to Community Business Lenders Service Company, LLC (the "Subordination Agreement"); and

WHEREAS, the Lender now intends to advance funds within the maximum amounts allowed in the Subordination Agreement, but following partial loan pay-off and requires an amendment to the Subordination Agreement subordinating the City's interests to the new note (the "Amendment"); and

WHEREAS, the Amendment, attached hereto, has been approved by the City Legal Department.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that:

1. The Amendment is hereby approved and the Mayor is authorized and directed to sign the attached document and the City Clerk is authorized to attest to the Mayor's signature and to obtain proper acknowledgment.

2. Upon full execution of the document, the City Clerk is authorized and directed to deliver original copies to the City's Office of Economic Development and staff is authorized to deliver appropriate documents to the Company and to thereafter take all steps necessary to protect the interests of the City.

(Council Comm. No. 17- 647)

APPROVED AS TO FORM:

Moved by Coleman to adopt.

Thomas G. Fisher Jr., Assistant City Attorney

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

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