

Legislation Text

File #: RES. NO. 16-24, **Version:** 1

A RESOLUTION CONSENTING TO THE DELIVERY OF A SUBORDINATION AGREEMENT IN CONNECTION WITH \$35,000,000 AGGREGATE MAXIMUM PRINCIPAL AMOUNT OF TAXABLE INDUSTRIAL REVENUE BONDS (RESIDENCES AT NEW LONGVIEW PROJECT), SERIES 2014 OF THE CITY OF LEE'S SUMMIT, MISSOURI.

Issue/Request:

RESOLUTION CONSENTING TO THE DELIVERY OF A SUBORDINATION AGREEMENT IN CONNECTION WITH \$35,000,000 AGGREGATE MAXIMUM PRINCIPAL AMOUNT OF TAXABLE INDUSTRIAL REVENUE BONDS (RESIDENCES AT NEW LONGVIEW PROJECT), SERIES 2014 OF THE CITY OF LEE'S SUMMIT, MISSOURI.

Key Issues:

In 2014 the City entered into a "Chapter 100" agreement with Residences at New Longview, LLC (Northpoint Development) to construct the Residences at New Longview 309 unit multi-family complex and issued Taxable Industrial Revenue Bonds in the principal amount of \$35,000,000.

In accordance with the Chapter 100 Financing Agreement the project was leased by the City to Residences at New Longview, LLC pursuant to a Lease Agreement and on August 4, 2016, the City Council approved the sale of the property to JVM Residences Apartments, LLC by Ordinance #7940 (attached).

JVM Residences Apartments, LLC is financing a portion of the acquisition by a loan and the lender is willing to make the loan subject to the City executing and delivering the Subordination Agreement.

Adoption of the proposed resolution does not impact the City's position since the current lender's deed of trust is superior to the City's interest.

Proposed City Council Motion:

I move to approve Resolution 16 -

Recommendation:

Staff and Gary Anderson of Gilmore & Bell, PC, City's Economic Development Counsel, recommend approval.