

4/19/2016

35-R-16

A RESOLUTION

**Approving the Short Sale of 2424 Dempster Street
(f/k/a “Chicago’s Home of Chicken & Waffles”) to a New Buyer and
Actions Related Thereto**

WHEREAS, in 2012, the City adopted Resolution 43-R-12 which authorized the execution of a loan agreement with Signature Foods Solutions, Inc. d/b/a Chicken and Waffles (“CW”) in the amount of \$200,000 to be disbursed from the City’s Economic Development Fund; and

WHEREAS, CW was to own and operate a restaurant at 2424 Dempster Street (the “property”); and

WHEREAS, the City secured its interest in the loan agreement by way of a second priority mortgage on the property; and

WHEREAS, CW closed this restaurant in May 2015; and

WHEREAS, CW is scheduled to close a sale with a new buyer for the property; and

WHEREAS, the new buyer proposes to open a new restaurant at the property establishing a new restaurant which will return the property to a productive and desirable status; and

WHEREAS, CW owes the City \$214,178.91 in loan principal, interest and late payment fees; and

WHEREAS, CW provided to the City a HUD-1 Settlement Statement for the proposed property sale which indicates it will pay the City \$59,832.36 in settlement

charges in full and final settlement of the loan agreement and as a full and final payoff of the City's second priority mortgage interest on the property; and

WHEREAS, the HUD-1 Settlement Statement indicated that CW will pay in full the first priority mortgage on the property held by Evanston First Bank & Trust, as well as pay in full property tax arrearages and penalties owed to Cook County and monies owed to the Illinois Department of Revenue; and

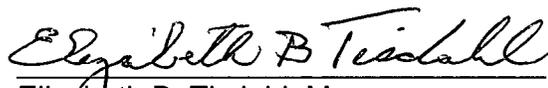
WHEREAS, any action to be taken by the City relative to the proposed closing on the property or loan forgiveness can only be authorized via Resolution.

NOW BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EVANSTON, COOK COUNTY, ILLINOIS, THAT:

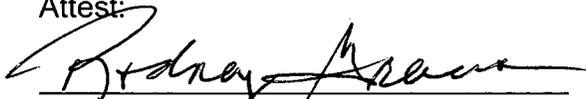
SECTION 1: The City Manager is hereby authorized to issue a payoff letter to Signature Food Solutions, Inc. in the amount not to exceed fifty nine thousand eight hundred thirty two dollars and thirty six cents (\$59,832.36).

SECTION 2: The City hereby forgives and foregoes any action to collect on the deficiency judgment on the mortgage and promissory note authorized by Resolution 35-R-16, such \$154,346.55 deficiency amount that is due and owing by Signature Food Solutions, Inc. to the City.

SECTION 3: This Resolution 35-R-16 shall be in full force and effect from and after its passage and approval in the manner provided by law.


Elizabeth B. Tisdahl, Mayor

Attest:


Rodney Greene, City Clerk

Adopted: April 25, 2016