Community Planning & Economic Development
Crown Roller Mill, 105 Fifth Ave. S.
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Minneapolis, MN 55401

Minneapolis
City of Lakes

June 18, 2015

MEMO TO: Kevin Carpenter, CFO
Sandy Christensen, DCFO
Craig Taylor, CPED Executive Director

FROM: Chuck Lutz, Chair, Development Finance Committee

SUBJECT: Development Finance Committee recommendations regarding 1) Restructuring of the City loan to the Landmark 201 West Broadway Project, and 2) Loans to the Eastside Food Co-op Expansion Project.

On June 18, 2015, the Development Finance Committee reviewed and discussed a staff report recommending that the $350,000 City loan to the Landmark 201 West Broadway Project be restructured based on the revised terms and conditions contained in the report. The Committee supports the staff recommendation, and suggests that City staff 1) request a personal guarantee on the loan, and 2) require a deed in lieu of foreclosure and shortened foreclosure redemption period (if viable and advantageous to the City). There was no Assistant City Attorney present at the meeting to provide advice on the two items in #2, but staff in the City Attorney's Office will be consulted shortly.

The Committee also supported the staff recommendation to approve a $450,000 CDBG Great Streets Gap Financing Loan and subordinating $400,293 ($319,273.53 current balance) NRP Loan Pool loan with the recommendation to require a 3-month debt service reserve for all subordinate loans, to match the 3-month debt service reserve for Self-Help Federal Credit Union's first position loan.

cc: Irene Kasper
Nila McDonald
Mark Winkelhake
David Frank