City of Duluth

411 West First Street
Duluth, Minnesota 55802

Legislation Details (With Text)

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Title: RESOLUTION AUTHORIZING THE CITY TO ENTER INTO A THIRD AMENDED AND RESTATED MASTER SUBORDINATION AGREEMENT REGARDING THE WASHINGTON SCHOOL PROJECT.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit 1

Date	Ver.	Action By	Action	Result
4/22/2019	1	City Council	adopted	

RESOLUTION AUTHORIZING THE CITY TO ENTER INTO A THIRD AMENDED AND RESTATED MASTER SUBORDINATION AGREEMENT REGARDING THE WASHINGTON SCHOOL PROJECT.

CITY PROPOSAL:
RESOLVED, that the proper city officials are hereby authorized to enter into a third amended and restated master subordination agreement, substantially in the form of that attached hereto as Exhibit 1, with Washington Studios Limited Partnership (Washington Partnership), Artspace Projects, Inc., TCF Bank Minnesota (TCF), Duluth economic development authority (DEDA) and housing and redevelopment authority of Duluth, Minnesota (HRA), regarding the Washington school project.….

STATEMENT OF PURPOSE: The purpose of this resolution is to authorize execution of a third amended and restated master subordination agreement setting forth the priority of liens with respect to the Washington school project loans as follows:

TCF Loan	$ 338,000
DEDA Loan	419,324
DEDA II Loan	419,324
City Abatement Loan	312,636
City Loan	100,000
HRA Loan	285,000
City HOME Loan	100,000
Deferred Fees Loan	38,220
DEDA Assigned Loan	80,000

Washington Partnership has been working with its first mortgage lender, TCF, to extend their financing time line of the Washington School Project. The partnership continues to work on maintenance analysis for the purpose of resyndicating housing tax credits for this property. The order of priority of all liens subordinate to TCF remains unchanged.

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