

**Community Planning & Economic Development**

Crown Roller Mill, 105 Fifth Ave. S.

Suite 200

Minneapolis, MN 55401



July 19, 2016

**MEMO TO:** Mark Ruff, CFO

Craig Taylor, CPED Executive Director

**FROM:** Chuck Lutz, Chair, Development Finance Committee *CL*

**SUBJECT:** Development Finance Committee (DFC) reviewed the following staff report:

- 1) Hennepin Theatre Trust (HTT) for acquisition and renovation of the Solera Building located at 900 and 906 Hennepin Avenue.

The committee supports the staff recommendation of approving a \$2.8 million loan and \$250,000 grant to Hennepin Theatre Trust for acquisition and renovation of the Solera Building and recommends that the following provisions be added:

- A grant recapture provision which would allow the City to potentially recapture all or a portion of the \$250,000 grant if HTT sells the Solera Building or it is repurposed during the 20-year amortization period of the City loan.
- A requirement that a portion of Cash Flow After Debt Service (see Projected Cash Flow Schedule attached to the DFC report) be used for the prepayment of the City loan.

**cc:** Irene Kasper

David Frank

Charles Curtis