

**Community Planning & Economic Development**

Crown Roller Mill, 105 Fifth Ave. S.

Suite 200

Minneapolis, MN 55401



January 15, 2004

MEMO TO: Chuck Lutz, Deputy Director

FROM: Jack Kryst, Chair, Development Finance Committee

SUBJECT: Development Finance Committee Action Regarding AINDC Request for Subordination of Existing Public Financing of Franklin Circles Shopping Center

On January 15, 2004, the Development Finance Committee considered a report on a request from the American Indian Neighborhood Development Corporation (AINDC) to subordinate existing City loans for the Franklin Circles Shopping Center to a new \$1,166,534 loan to be secured by a first mortgage held by Franklin Bank. The loan proceeds are to be used to pay the remaining balance on an existing first mortgage held by ING, to provide working capital, and to make improvements to two buildings.

The Committee recommended approval of the subordination with the following provisions:

- 1) that City loans be subordinated to \$891,534 of the Franklin Bank first mortgage; and
- 2) that subordination of City loans to the remaining \$275,000 of the Franklin Bank loan be contingent upon City approval of the advance and use of the \$275,000.

cc: Lee Sheehy  
John Harrington