**File #:** RES 14-1878, **Version:** 1

Approving and authorizing the subordinantion of the City's SteppingStone Theatre STAR loan in the original amount of $150,000 to a Minnesota Bank & Trust loan in an amount not to exceed $400,000 (Ward 1, District 8).

WHEREAS, the City of Saint Paul, Minnesota (the "CITY") a municipal corporation organized under the laws of Minnesota, approved a STAR Loan in the amount of $150,000 to SteppingStone Theatre on October 19, 2005, and the improvements to the theatre funded by the STAR Loan were completed in December 2007; and

WHEREAS, the collateral for the CITY loan was a mortgage upon the SteppingStone Theatre property; and

WHEREAS, the CITY's collateral is currently in a subordinate position to a senior Mortgage held by Sunrise Banks; and

WHEREAS, on August 13, 2014, the Neighborhood STAR Board reviewed a proposal from SteppingStone Theatre to allow the STAR loan mortgage to be subordinated to new mortgage to Minnesota Bank & Trust in connection with a refinancing in the amount of up to $400,000 of the Sunrise Banks loan; and

WHEREAS, the Neighborhood STAR Board recommends approval of the subordination request; and

WHEREAS, the Department of Planning and Economic Development's Credit Committee reviewed and recommended approval of this subordination on October 13, 2014,

NOW, THEREFORE, BE IT RESOLVED, upon the recommendation of the Mayor, the Council of the City of Saint Paul hereby approves the requested subordination and authorizes and directs the appropriate City officials to negotiate and execute the necessary legal documents to implement this Resolution, consistent with the above-described terms and such other terms and conditions which are not adverse to the CITY, subject to approval by the City Attorney; and be it

FINALLY RESOLVED, staff of the Department of Planning and Economic Development are further authorized and directed to proceed with all other actions necessary to implement this Resolution.