

**ADDENDUM TO AGENDA
CITY OF ISANTI
CITY COUNCIL MEETING
TUESDAY, APRIL 20, 2021 – 7:00 P.M.
CITY HALL**

- A. Call to Order**
- B. Pledge of Allegiance**
- C. Roll Call**
- D. Public Comment**
- E. Adopt Agenda**

- F. Proclamations/ Commendations/ Certificate Awards**

- G. Approve City Council Minutes**

- H. Announcements**

- I. Council Committee Reports**

- J. Public Hearings**

- K. Business Items**

- L. Consent Agenda**
 - ADD L.9** Resolution 2021-XXX Authorizing Execution of Subordination Agreement

- M. Other Communications**

- Adjournment**



Memo for Council Action

To: Mayor Johnson and Members of the City Council
From: Finance Director Betker
Date: April 20th 2021
Subject: Authorizing execution of subordination agreement

Background:

Resolution 2015-160 approved, among other items, a \$400,000 State of Minnesota MIF Loan at 0% interest for the benefit of Sno-Bear to facilitate business development and job creation in Isanti. The original subordination agreement favored Falcon National Bank as the private sector partner in the construction project at that time. Sno-Bear is now seeking to refinance that package with Flagship Bank.

Flagship Bank has drafted the attached subordination agreement. The City Attorney and State Officials from the Department of Employment and Economic Development (DEED) have reviewed the document. The City Attorney has found it to be free of defect and the State is recommending its approval.

The loan payments that are made on this loan are received by the City but then forwarded on to DEED. The City does not keep any money on these transactions.

Recommendation:

Staff is recommending approval.

Action Required:

If the Council concurs, it should by motion, approve the attached resolution.

Attachments:

- Res 2021-XXX – Authorizing Execution of Subordination Agreement
- Subordination Agreement drafted by Flagship Bank

RESOLUTION 2021-XXX

AUTHORIZING EXECUTION OF SUBORDINATION AGREEMENT

WHEREAS, the City of Isanti approved a \$400,000 State of Minnesota MIF Loan at 0% interest on July 7th 2015 by Resolution 2015-160; and

WHEREAS, Flagship Bank has requested an agreement be executed to solidify the lien positions of Flagship Bank; and

WHEREAS, the City Attorney and State Officials have reviewed the attached Subordination Agreement and agree that it protects the lien position and maintains the original loan terms.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the City Council of the City of Isanti, Minnesota to authorize the Mayor and City Administrator to execute the attached Subordination Agreement.

This Resolution is hereby approved by the Isanti City Council this 20th day of April, 2021.

Attest:

Mayor Jeff Johnson

Jaden Strand
City Clerk

(Top 3 inches reserved for recording data)

**SUBORDINATION AGREEMENT
by Business Entity**

**Minnesota Uniform Conveyancing Blanks
Form 20.8.2 (2011)**

DATE: April 6, 2021
(month/day/year)

FOR VALUABLE CONSIDERATION, the undersigned hereby subordinates the lien on real property in Isanti County, Minnesota, legally described as follows:

Lot 3, Block 1, Isanti Centennial Complex 1st Rearrangement, according to the recorded plat thereof, and situate in Isanti County, Minnesota

Check here if all or part of the described real property is Registered (Torrens) ☐

which is evidenced by a Mortgage dated December 3, 2015,
(insert title of document to be subordinated) (month/day/year)
and recorded on December 10, 2015, as Document Number A454900 (or in Book _____ of
(month/day/year) _____ Page _____), in the Office of the ☒ County Recorder ☐ Registrar of Titles of Isanti
(check the applicable boxes)
County, Minnesota, to a subsequent lien evidenced by a Mortgage from
(insert title of document to be superior)
Enterprise Avenue Properties LP, a Canadian Limited Partnership to
(insert name of grantor)
Flagship Bank Minnesota
(insert name of grantee)

in an amount not to exceed Nine hundred eight thousand six hundred and three and 00/100 Dollars
(\$ 908,603.00) and recorded on _____, as Document Number _____ (or in
(month/day/year)
Book _____ of _____ Page _____), in the Office of the ☐ County Recorder ☐ Registrar of Titles
(check the applicable boxes)
of _____ County, Minnesota.

Note: Remainder of page left blank, signature page follows.

City of Isanti*(name)*

By: _____

(signature) Jeff JohnsonIts: Mayor*(type of authority)*

By: _____

(signature) Josi WoodIts: City Administrator*(type of authority)*State of Minnesota, County of IsantiThis instrument was acknowledged before me on _____, by Jeff Johnson*(month/day/year)**(name of authorized signer)*as Mayor*(type of authority)*and by Josi Wood*(name of authorized signer)*as City Administrator*(type of authority)*of The City of Isanti*(name of party on behalf of whom the instrument was executed)*

(Stamp)

(signature of notarial officer)

Title (and Rank): _____

My commission expires: _____

(month/day/year)

THIS INSTRUMENT WAS DRAFTED BY:

*(insert name and address)*Flagship Bank Minnesota
711 6th Ave NE
Isanti, MN 5504