



## **REQUEST FOR COUNCIL ACTION**

**AGENDA DATE:** October 9, 2023

**AGENDA ITEM:** Consider approval of subordination agreements in favor of National Bank of Commerce, Hibbing Branch.

**PREPARED BY:** Rob Mattei, Director of Community Development

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### **BACKGROUND:**

The City of Grand Rapids holds two mortgages dated December 27, 2016, recorded against properties owned by Canal Apartments, LLC. These two mortgages secure a deferred Small Cities Development Program Commercial Rehabilitation Loans in the principal amounts of \$15,582.00 and \$15,060.00. These deferred loans will be forgiven entirely on the date of maturity, which is December 27, 2023.

The borrower, or a subsidiary, is refinancing debt through National Bank of Commerce, Hibbing Branch who is requesting the City subordinate.

### **REQUESTED COUNCIL ACTION:**

Make a motion to approved two subordination agreements in favor of National Bank of Commerce, Hibbing Branch