

CITY OF NORTHFIELD, MN
CITY COUNCIL RESOLUTION 2018-021
TO EXTEND THE MODIFICATION OF THE
MASTER DEVELOPMENT LOAN AWARDED TO STRATAPOINT

- WHEREAS, StrataPoint is a Minnesota Company owned and operated by Dale LaFrenz; and,
- WHEREAS, in 2009 the Economic Development Authority (EDA) for the City of Northfield recommended City Council approve a Master Development Loan in the amount of \$50,000 to assist with locating and creating their business in Northfield; and,
- WHEREAS, the company maintained offices at 101 East 5th Street for several years; and,
- WHEREAS, the original terms of the loan were 3.25% for 60 months; and,
- WHEREAS, the City Council awarded the Master Development Loan to StrataPoint in May 2009; and,
- WHEREAS, StrataPoint provided timely payments through April 2013 and notified the City that future payments would not be made due to financial implications within the company; and,
- WHEREAS, the remaining balance of the loan was \$14,999.75; and,
- WHEREAS, the EDA recommended the City Council accept interest-only payments from StrataPoint, Inc. for 24 months to allow the company time to re-establish their business; and,
- WHEREAS, the City Council passed Resolution 2013-061 allowing StrataPoint a temporary loan modification of interest only payments for 24 months on their Master Development Loan; and,
- WHEREAS, the 24-month period during which Recipient would be allowed to make interest only payments on the Loan pursuant to the First Loan Modification expired on June 31, 2015; and
- WHEREAS, pursuant to City Council Resolution 2015-075 passed on July 21, 2015, Recipient and the City entered into a second modification of the Loan with terms of interest-only payments for an additional twenty-four months, with a mid-term review of company financials, at which time the loan would be modified to continue payments including principle (the “Second Loan Modification”); and
- WHEREAS, the 24-month period during which Recipient would be allowed to make interest only payments on the Loan pursuant to the Second Loan Modification expired on July 31, 2017; and
- WHEREAS, the City’s Economic Development Authority (the “EDA”) passed Resolution 2017-02 on October 26, 2017 pursuant to which the EDA recommended to the City

Council a third modification of the Loan for a full workout of the initial loan with principal and interest payments on the outstanding principal amount (the “Third Loan Modification”); and

WHEREAS, the company remains in financial hardship and has requested a full workout of the initial loan; and

WHEREAS, the Economic Development Authority has requested the City Council to consider a Third Loan Modification of principal and interest payments at a rate of 1.0% for a five (5) year term with a 15-year amortization and balloon payment in monthly payments of \$89.77.

NOW THEREFORE BE IT RESOLVED that the City Council approves the loan modification of the Master Development Loan awarded to StrataPoint with terms pursuant to the Third Loan Modification Agreement.

PASSED by the City Council of the City of Northfield on this 6th day of March, 2018.

ATTEST

City Clerk

Mayor

VOTE: ___ POWNELL ___ COLBY ___ DELONG ___ NAKASIAN
 ___ NESS ___ PETERSON WHITE ___ ZWEIFEL