



MEMORANDUM

Council Agenda
Item No. IX. AD
1/2/2024

The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: Craig Freeman, City Manager

Resolution ratifying and approving execution of an Amended and Restated Subordination Agreement with BancFirst, an Oklahoma state banking corporation (Senior Lender), JRB Citizen LLC, an Oklahoma limited liability company (Borrower), the Oklahoma City Industrial and Cultural Facilities Trust, a public trust, and The City of Oklahoma City, for a Murrah District Economic Development loan transaction supporting construction of a new commercial building at NW 5th Street and Robinson Avenue. Ward 6.

Background:

The City of Oklahoma City approved a Murrah District Economic Development Loan to JRB Citizen, LLC, in the amount of \$750,000 from the supplemental Community Development Block Grant fund, for the construction of a 12-story commercial building at the northeast corner of Northwest 5th Street and Robinson Avenue. The loan was approved by City Council on May 23, 2023 (Item No. IX.AJ.).

In the Senior Loan Agreement, the Borrower and Senior Lender acknowledged that the Trust Loan and the Murrah Loan would be secured by mortgages, but would be subordinated to the loan of the Senior Lender. The Senior Lender, Borrower, and the Trust entered into a Subordination Agreement dated March 15, 2023, in which the Trust subordinated to all indebtedness of the Senior Lender. In the Trust Loan Agreement, the Borrower and Trust agreed that if Borrower obtained the Murrah Loan financing, the original Subordination Agreement would be amended, restated, or otherwise modified to confirm that the Trust mortgage would be subordinate to both the Senior Lender and the Murrah mortgage. Likewise, the Murrah Loan Agreement requires second lien position for the Murrah Loan in the financing stack as a condition of approval.

The Senior Lender, Borrower, the Trust, and the City are executing this Subordination Agreement to amend and restate the original Subordination Agreement, and to confirm that all rights and remedies of the Trust with respect to the Trust loan are subordinate to the Senior Lender, and also subordinate to the lien of the Murrah mortgage.

The Resolution approving the Murrah District Economic Development Loan Agreement authorized the Mayor to execute all related loan documents, provided that executed copies of the applicable documents are filed with the Clerk's office. This Amended and Restated Subordination Agreement was not presented with the Murrah Loan Agenda item on May 23, 2023 and is submitted herewith for City Council ratification.

Source of Funds:

GRANTS MANAGEMENT-DEPT OF HSG & URB DEVEL-RSTR-CDBG SUPPLEMENTAL-
Grant B-99-MO-40-0003 (019-6140 2408005-G3015- G80613)

Review:

Planning

Recommendation: Resolution be adopted.