



Legislation Details (With Text)

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Title: Approving a sixth amendment to the Frogtown Entrepreneur Center Loan of \$154,500.

Sponsors: Melvin Carter III

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Date	Ver.	Action By	Action	Result
2/11/2013	1	Mayor's Office	Signed	
2/6/2013	1	City Council	Adopted	Pass

Approving a sixth amendment to the Frogtown Entrepreneur Center Loan of \$154,500.

WHEREAS, in 1997 the City of Saint Paul ("City"), through its STAR program, entered into a STAR loan ("Loan") in the amount of \$154,500 with Frogtown Entrepreneur Center ("FEC") to, together with other funders providing a private match, provide financing to acquire and renovate 501 N Dale Street to establish the Frogtown Entrepreneur Center, a business incubator facility; and

WHEREAS, the FEC also acquired and renovated 625 University Avenue and combined it with 501 N Dale to operate a business incubator facility (the "Project") whose target is minority, women owned small businesses; and

WHEREAS, the FEC is currently home to approximately 15 business about 80% of which are minority owned, and

WHEREAS, the age of the buildings, the state of the economy, the fragile nature of the businesses served and the vacation of the Project's largest tenant and Central Corridor light rail construction have all created cash flow difficulties for the Project; and

WHEREAS, the original terms of the Loan indicated that repayment would be made only after all operating expenses including debt service for other loans and an operating reserve of \$10,000 was established and maintained and that all unpaid principal and interest repayment would be due a balloon payment on the original maturity date of December 1, 2006; and

WHEREAS, five previous amendments to the Loan have extended the maturity date and deferred but not forgiven repayments; and

WHEREAS, FEC has again requested that the City defer payments and extend maturity date on the Loan; and

WHEREAS the Department of Planning and Economic Development Credit Committee has reviewed the request, determined that the loan is secured with mortgages on the property and recommends a) amending

the Loan terms to defer Loan repayment from January 1, 2013 through December 31, 2014 and (b) extending the maturity date of August 1, 2014 to December 31, 2014.

NOW, THEREFORE, the City of Saint Paul City Council approves and authorizes the Department of Planning and Economic Development to enter into a sixth amendment to the note, loan agreement and mortgage with Frogtown Entrepreneur Center to incorporate the terms described above.