



## Legislation Text

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**File #:** RES 22-530, **Version:** 1

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Approving and authorizing subordination of a STAR loan made to Jobs Foundation dba Tech Dump & Tech Discounts ("Borrower").

WHEREAS, on July 25th, 2018, the Saint Paul City Council, by Resolution 18-1143 authorized a STAR loan up to the amount of \$170,000 (the "STAR Loan") and a Grant up to the amount of \$130,000 ("STAR Grant") to the Borrower to provide financing for the construction of improvements at 860 Vandalia Street, Saint Paul (the "Project"); and

WHEREAS, the STAR Loan was subordinate to a loan with Sunrise Bank, the first position lender, and Propel Nonprofits, the second position lender; and

WHEREAS, the Borrower wishes to refinance the debt with a new first position lender identified as Minnesota Bank and Trust and said refinance will provide additional funds to Borrower for improvements; and

WHEREAS, on March 1, 2022, the Credit Committee reviewed the Project in relation to the Borrower's request and recommended approval of the subordination request; and

WHEREAS, staff is recommending to the City Council that it approve the subordination of the STAR Loan to the new first position lender as there is sufficient collateral in the Project to secure the STAR Loan after the refinance and subordination; now, therefore, be it

RESOLVED by the Saint Paul City Council as follows:

1. The Saint Paul City Council hereby approves and authorizes the subordination of the STAR loan to a new first position lender and the maintains subordination to the existing second position lender.
2. The Saint Paul City Council hereby approves and authorizes the execution of a subordination agreement and any other documents ancillary to facilitate the subordination, subject to approval by the City Attorney's Office.
3. The Saint Paul City Council hereby approves and authorizes the PED Director, staff and legal counsel to take all actions necessary to carry out the activities authorized by this Resolution and the PED Director, and appointed or delegated staff, is hereby authorized to execute any documents and instruments in connection with this Resolution, subject to approval by the City Attorney's Office.
4. This Resolution does not constitute a binding legal agreement; rather, the subordination shall not be effective until executed by the appropriate official(s) of the City.