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January 12, 2024

Via E-mail

Ms. Joanna Zimny
Legislative Hearing Executive Assistant
City of St. Paul, Office of the City Council
310 City Hall
15 West Kellogg Boulevard
St. Paul, Minnesota 55102-1615
joanna.zimny@ci.stpaul.mn.us

**RE: 455 Robert Street South (the “Property”)
Our File No. 33799.01**

Dear Ms. Zimny:

In response to your letter, dated November 29, 2023, and in preparation for the Legislative Hearing scheduled at 9:00 am on Tuesday, January 16, 2024, I am providing an update on the progress of the sale of the property at 455 Robert Street South, St. Paul, Minnesota (“Property”).

On November 27, 2023, Allstate BK Real Estate Holdings, Ltd., the owner of the Property (“Allstate” or “Owner”) entered into an Earnst Money Contract to sell the Property to Hosannah, Inc., which is owned and operated by Hye Young Shin, CEO/Owner (“Ms. Shin” or “Purchaser”). Ms. Shin, who owns and operates another local restaurant, then commenced her due diligence efforts to allow her to close on the sale of the Property. She has accomplished the following:

1. Ms. Shin has retained a contractor to provide a bid package to make necessary improvements and correct know code compliance deficiencies.
2. Ms. Shin has been diligently working with her contractor to consider what improvements will be necessary to accommodate her vision for her restaurant. She or her representatives have been meeting on a regular, bi-weekly basis to arrive at a final design and budget. Until the design is finalized, it is difficult to precisely calculate the contract scope and price, but they are working on a work plan, sworn construction statement, and scope of work, including signed subcontractor bids, and a project completion schedule. This process of design, estimating, and bidding will provide a far more accurate and timelier estimate than the city staff’s estimate that costs will exceed \$100,000.

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3. Ms. Shin has secured bank financing sufficient to purchase the building, make the necessary improvements and modifications, and correct anticipated code compliance deficiencies. The lender and Ms. Shin are aware that an occupancy permit will not be granted for the property and its operation as a restaurant if the previously identified code compliance deficiencies are not corrected to the City's satisfaction. Once the construction budget has been finalized, based upon signed subcontractor bids, the amount of the financing will be finalized and can be made available to the city.
4. Ms. Shin and her representatives have been communicating with the Allstate representatives about maintaining the Property in its current safe and secure condition and maintaining the current fencing until the construction is completed and the building has been granted a certificate of occupancy and all other permits required by the city.
5. Ms. Shin and her representatives have been working hard to achieve the above results, which are complex issues to resolve. Ms. Shin's involvement was impacted for a short time by the necessity of a trip to Korea to attend to her ill father. But she has returned and continues to focus on completing her due diligence efforts.
6. Under the terms of the Earnst Money Contract, Ms. Shin had until January 12, 2024, to complete her due diligence and proceed to closing, or she could extend that time period for another 30 days, or February 11, 2024, upon payment of an additional \$10,000. Because of the details still to be worked out, and her commitment to purchasing this Property, Ms. Shin paid the \$10,000 to extend the due diligence period to February 11, 2024.
7. Allstate is confident that Ms. Shin will close on the sale of the Property and is pleased that the property will be transferred to a local owner who is committed to establishing and operating a successful business that will add to the richness, vibrancy, diversity, and development of the neighborhood.

If you have any questions or concerns, please contact me.

Very truly yours,

/s/ Thomas J. Radio
Thomas J. Radio

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cc: Scott Owen (sowen@gulshaninc.com)
Jeff Houge (jeff@wakota.com)