



Legislation Details (With Text)

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Title: Authorizing and approving the restructuring of two loans from HRA Loan Enterprise Fund to Frogtown Entrepreneur Center at the northwest corner of University Avenue and Dale Street to support the Northwest University Dale project; District 7, Ward 1

Sponsors: Dai Thao

Indexes:

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Attachments: 1. Board Report, 2. Map, 3. District 7 Profile

Date	Ver.	Action By	Action	Result
2/26/2020	1	Housing & Redevelopment Authority	Adopted	Pass

Authorizing and approving the restructuring of two loans from HRA Loan Enterprise Fund to Frogtown Entrepreneur Center at the northwest corner of University Avenue and Dale Street to support the Northwest University Dale project; District 7, Ward 1

WHEREAS, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "HRA") is a public body corporate and politic established pursuant to the provisions of Minnesota Statutes, Section 469.001, et seq. (the "Act"); and

WHEREAS, the HRA has the power to engage in development or redevelopment activities under Minnesota law and the HRA is authorized to engage in activities relating to (a) housing projects and development, (b) removal and prevention of the spread of conditions of blight or deterioration, (c) bringing substandard buildings and improvements into compliance with public standards, (d) disposition of land for private redevelopment, and (e) improving the tax base and the financial stability of the community, and to engage in the aforementioned activities when these needs cannot be met through reliance solely upon private initiative and which can also be undertaken in targeted neighborhoods; and is authorized to create redevelopment projects as defined in Minnesota Statutes, Section 469.002, Subdivision 14; and

Whereas, Frogtown Entrepreneur Center, LLC ("Developer"), whose sole member is the Neighborhood Development Center ("NDC"), executed an HRA loan in the amount of \$65,000 on January 7, 1997 to help purchase and renovate the property located at 501 North Dale Street; and executed an HRA loan in the amount of \$49,000 on April 30, 1999 to help purchase and renovate the property located at 625/627 University Avenue; and

WHEREAS, together, as of November 30, 2019, these two loans had an outstanding principal and interest balance of \$94,930; and

Whereas, Developer requests restructuring of these two existing loans into one \$94,930 loan with a term of 20 years, a 0% interest rate, and a deferral of payments for the first seven years ("Loan"), and that any interest accruing since November 30, 2019 will be waived; and

Whereas, Developer requests that the Loan be collateralized by a mortgage on 501 North Dale Street, and

that all existing mortgage assignments on 625 and 627 University Avenue be released; and

WHEREAS, Developer is requesting this loan restructuring in order to: 1) facilitate a new housing and commercial development project utilizing 625/627 University Avenue by NDC Entrepreneur Training Center, whose sole member is NDC; and 2) facilitate renovation of 501 Dale Street North by Developer; and

WHEREAS, the HRA Board determines, consistent with the accomplishments articulated in the staff report accompanying this Resolution, that there is proper public purpose to approve the Loan terms.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota that:

1. The HRA hereby approves the Loan and the Executive Director of the HRA is hereby authorized and directed to negotiate and agree, consistent with the staff report accompanying this Resolution, to the terms of the Loan needed to effectuate this Resolution.

2. The HRA Chair or Commissioner, the HRA Executive Director, and the Director of the Office of Financial Services are hereby authorized and directed to execute all Loan documents on behalf of the HRA, provided that such documents are acceptable in form and substance to the Saint Paul City Attorney.