



Legislation Text

File #: RES 12-2175, **Version:** 1

Forgiving a STAR Loan to the owner of 680 and 684 Rose Avenue East, and authorizing a purchase agreement for the City's acquisition of the properties for the Payne/Maryland Library and Recreation Center Project.

WHEREAS, on September 19, 2007 the City Council approved CF 07-865 awarding a \$300,000 Loan and a \$300,000 Grant to Merrick Community Services to help finance the purchase of four duplexes near the Arlington Recreation Center as part of a proposed community facility to be constructed in conjunction with the Payne/Maryland Library and Recreation Center Project (the "Project"); and

WHEREAS, on May 27, 2009 the City Council approved CF 09-558 authorizing transfer of the STAR funding to the Payne Maryland Development Company, LLC ("Property Owner"); and

WHEREAS, the Property Owner subsequently sold two of the four duplexes to the Housing and Redevelopment Authority of the City of Saint Paul ("HRA"); and

WHEREAS, the Property Owner now desires to sell the remaining two duplexes, located at 680 and 684 Rose Avenue East (the "Properties"), to the City of Saint Paul ("City"); and

WHEREAS, on October 10, 2012 the Property Owner presented a request to the Neighborhood STAR Board for the City's forgiveness of the \$300,000 STAR loan, account code #77825, as a necessary step to transfer all rights to the Properties to the City; and

WHEREAS, the City seeks to acquire the Properties for the purpose of assembling land for the approved Payne/Maryland Library and Recreation Center Project; and

WHEREAS, purchase of the Properties would not result in their designation as parkland, but such designation would occur by subsequent and separate action of the City Council; and

WHEREAS, the City, acting through its Office of Financial Services, Real Estate Section, has secured a signed Purchase Agreement from the Property Owner to acquire the Properties, said agreement attached hereto as Exhibit A; and

WHEREAS, the City has agreed to pay Two Hundred Fifty-Nine Thousand Seven Hundred and 00/100 Dollars (\$259,700.00) to purchase the Properties, this being a fair and reasonable value as determined by an independent appraisal, and negotiated and agreed to between the Property Owner and the City and recommended by the Real Estate Manager; and

WHEREAS, it is the intent of the Mayor and City Council to authorize said loan forgiveness and acquisition of the Properties; now, therefore be it

RESOLVED, that the Mayor and Council of the City of Saint Paul do hereby:

1) Authorize and direct the proper city officials to proceed with all actions and documentation necessary to accomplish said loan forgiveness, subject to approval by the City Attorney; and

2) Approve said Purchase Agreement for the Properties, in a form and content substantially as set forth in

Exhibit A; and direct and authorize the proper city officials to pay \$259,700.00 to the Property Owner, and all associated closing costs, said amounts to be charged to Activity Code: C10-3T230-0881-33002; and to record the deed for the Properties with the Ramsey County Recorder's Office or Registrar of Titles.

Financial Analysis is not applicable