



Legislation Text

File #: RES 17-474, **Version:** 2

Approval of Third Amendment to the Phase III Development Agreement with the WSF Phase III LLC, District 3, Ward 2

WHEREAS, pursuant to Resolution PH 12-312, adopted October 24, 2012, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (“HRA”), and WSF Phase III LLC (the “Phase III Developer”) entered into the West Side Flats Phase III Development Agreement (the “Phase III Agreement”), which affects the sale and development of the HRA-owned land (the “Phase III Property”) described in the staff report attached thereto; and

WHEREAS, the Phase III Agreement provides the Phase III Developer with the exclusive right (“Development Rights”) to propose development plans for the Phase III Property for a period of three years from the effective date of the Phase III Agreement, which period expired on November 19, 2015; and

WHEREAS, by Resolution No. 15-1978 the HRA Board of Commissioners approved a first amendment (“First Amendment”) to the Phase III Development Agreement, for the purpose of extending for six months until May 19, 2016, the Phase III Developer’s Development Rights and the Resolution included additional specific requirements for a development proposal for the Phase III Property, and

WHEREAS, by Resolution No. 16-970 the Board of Commissioners approved a second amendment (“Second Amendment”) to the Phase III Development Agreement, for the purpose of extending until March 30, 2017 the Phase III Developer’s Development Rights and the Resolution included additional specific requirements for a development proposal for the Phase III Property

WHEREAS, the Phase III Developer has requested a further extension until December 31, 2017 of the Development Rights in order to obtain financing and other approvals for the Phase III Property, and staff is recommending approval of such extension on the terms and conditions set forth in a third amendment (“Third Amendment”) to the Phase III Development Agreement, and based on the Phase III Developer meeting the following benchmarks (“Benchmarks”):

Passive House Materials to Onion Flats (65% Construction Set)	5/15/2017
Preliminary Commitment from HUD	7/31/2017
Signed Restaurant Tenant Lease	9/31/2017
Firm Commitment from HUD	10/31/2017

WHEREAS, as part of the financing of development on the Phase III Property, Phase III Developer has requested HOME financing up to a maximum amount of \$1,120,000.00 for the Phase III B building (“HOME Financing”) and staff recommends approval of this HOME Financing on the terms set forth in the staff report; and

WHEREAS, the HRA Board of Commissioners finds a public purpose for the actions being taken in this resolution.

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 Third Amendment is approved in substantially the form submitted.
2. The Executive Director is authorized and directed to execute the Third Amendment.
3. The Executive Director and staff are authorized to take all actions needed to implement this Resolution including without limitation the preparation of documents for the HOME Financing, and the Executive Director is authorized to execute all documents, instruments, and agreements therewith.
4. If the Phase III Developer fails to timely satisfy any of the Benchmarks, then the HRA Executive Director has the authority and discretion to either (a) terminate the Development Rights and Third Amendment without further HRA Board action, or (b) allow the Phase III Developer additional time up to December 31, 2017 to complete and satisfy all the Benchmarks upon a showing by the Phase III Developer of significant progress towards meeting and satisfying all the Benchmarks.