



Legislation Details (With Text)

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Title: Approving and authorizing modifications to a CDBG loan and a STAR loan made to 754 Randolph, LLC for property at 754 Randolph Avenue (District 9, Ward 2)

Sponsors: Rebecca Noecker

Indexes:

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Attachments:

Date	Ver.	Action By	Action	Result
12/15/2022	1	Mayor's Office	Signed	
12/14/2022	1	City Council	Adopted	Pass

Approving and authorizing modifications to a CDBG loan and a STAR loan made to 754 Randolph, LLC for property at 754 Randolph Avenue (District 9, Ward 2)

WHEREAS, in 2020 754 Randolph, LLC, a Minnesota limited liability company ("Borrower") purchased from the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota ("HRA") the subject property at 754 Randolph Avenue, which was the old Fire Station #10 building and was in substandard condition, and thereafter Borrower brought the improvements into compliance with public standards, improved the tax base, improved the financial stability of the community, and created jobs for low and moderate income persons; and

WHEREAS, pursuant to Council Resolution No. 18-1143 (for the STAR loan) and Administrative Order 19-47 (for the CDBG loan), the Saint Paul City Council approved certain loans to Borrower to assist with the rehabilitation and construction of improvements to Borrower's property; and

WHEREAS, on June 19, 2020, Borrower executed and delivered to Lender a certain STAR Promissory Note in the original principal amount of \$125,000.00 and maturing on May 1, 2030 (the "STAR Note"), which STAR Note is secured by a certain Mortgage instrument on Borrower's real property in favor of the City of Saint Paul, and

WHEREAS, on June 19, 2020, Borrower also executed and delivered to Lender a certain Promissory Note in the original principal amount of \$200,000.00 and maturing on March 1, 2030 (the "CDBG Note"), which CDBG Note is also secured by a certain Mortgage instrument on Borrower's real property in favor of the City of Saint Paul; and

WHEREAS, the Borrower, as developer, experienced substantial construction delays due to the coronavirus pandemic and related economic events, but eventually completed construction and began making its payments under the related STAR Note and the CDBG Note; and

WHEREAS, the parties desire to modify the above-described loans to change the first payment date and the maturity date to allow for the delays that were experienced by Borrower; and

WHEREAS, staff from the Department of Planning and Economic Development recommends to the City

Council that it approve modifications to changing certain dates in the Loans to a first payment due date of December 1, 2021 and a maturity date of November 1, 2031; and

WHEREAS, on March 29, 2022, the Credit Committee reviewed the above-described loans and recommended approval of changing the first payment date to December 1, 2021 and the maturity date to November 1, 2031, waiving any late fees that resulted therefrom.

NOW, THEREFORE, BE IT RESOLVED by the Saint Paul City Council:

1. that the Saint Paul City Council hereby approves amending the loans, evidenced by CDBG Note and the STAR Note, that were made to 754 Randolph, LLC, consistent with the terms described in the introductions in this Resolution and with no fee imposed for such modifications.

2. that the City Council hereby approves and authorizes City staff to take all actions necessary to carry out the activities authorized by this Resolution, including finalizing all documents and agreements, subject to approval by the City Attorney's Office.

3. that the proper City official(s) are hereby approved and authorized to execute any and all documents in connection with this Resolution, subject to approval by the City Attorney's Office.

4. that this Resolution does not constitute a binding legal agreement; rather, the action taken herein shall not be effective until said documents are executed by the appropriate official(s) of the City.