



Legislation Text

File #: RES 11-2567, **Version:** 1

Approving a Record of Internal Loan for the Penfield Project. (This item is a companion to RES PH 11-1210 and does not require a public hearing.)

WHEREAS, the CIB Committee met on December 12, 2011 and named the Penfield Project as a 2011 CIB project; and

WHEREAS, the HRA Executive Director has requested a City Internal Loan from F 070 ("Internal Loan Fund") of \$2,377,524, which will be available by Closing with HUD in June 2012, for the Penfield Project; and

WHEREAS, the City Administration wishes to assist the HRA in undertaking the Penfield Project, which is the redevelopment of the former downtown Public Safety site, at 10th and Robert Street, with a new downtown grocery store and approximately 253 market rate housing units, owned by the HRA; and

WHEREAS, there are available funds in F 070 the ("City Internal Loan Fund") in 2012 for this capital project; and

WHEREAS, The advance, until repaid, will bear interest at the monthly City treasury portfolio investment rate (the "Pool Rate"). The Pool Rate is variable and reset monthly by City; and

WHEREAS, HRA has agreed to a general revenue promise to the City to repay the Internal Loan; and

WHEREAS, in the Record of Internal Loan in Exhibit A, which is substantially final form, will be repaid with interest within 5 years of the initial city advance;

THEREFORE BE IT RESOLVED, that the Council of the City of Saint Paul approves the attached Record of Internal Loan in substantially final form in Exhibit A, which is to be executed by OFS Director and HRA Executive Director and any other required HRA signatories and directs the OFS Director to return to Council, at least 45 days before the HUD Closing on the Penfield, to approve the technical 2012 Budget Amendment for \$2,377,524 from F070.

See Attachment.

Exhibit A - Record of Internal Loan for HRA's Penfield Project