



## Legislation Text

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**File #:** RES PH 13-26, **Version:** 1

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Resolution Authorizing and Approving 1) The Sale of HRA Parcel to Covenant Capital, LLC for the Purchase Price of \$50,000; 2) Approval of HRA Land Sale Loan of \$50,000 to Assist in the Purchase of the Property; 3) Approval of a Development Agreement with Covenant Capital, LLC; 4) Authorizing the Executive Director to Finalize the Loan and Land Sale Documents for Execution by the Appropriate HRA Officials in Connection with the 699 East 7th Street Project, District 4, Ward 7.

WHEREAS, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota ("HRA") has duly adopted and there is now in effect a City-Wide Comprehensive Plan/Redevelopment Plan for the acquisition, rehabilitation and resale of properties;

WHEREAS, the HRA through the use of its statutory powers, seeks to address the problems created by deteriorated and blighting buildings, inappropriate land use and vacant/under utilized land in its neighborhoods within the City of Saint Paul; and

WHEREAS, the Housing and Redevelopment Authority of the City of Saint Paul has the power to engage in development or redevelopment activities under Chapter 469 of the Minnesota Statutes, Housing and Redevelopment Act ("Act") and by authority of said Act engages in activities relating to: 1) housing projects and development; 2) removal or prevention of the spread of conditions of blight or deteriorations; 3) bringing substandard buildings and improvements into compliance with public standards; 4) disposition of land for private development; and 5) improving the tax base and the financial stability of the community; and engages in the aforementioned activities when redevelopment or development needs cannot be met through reliance solely upon private initiative, and may engage in said activities in targeted neighborhoods; and

WHEREAS, the City of Saint Paul Police Department conveyed 699 East 7th Street, legally described as follows: Lots 3 and 4 and the northeasterly 10.00 feet of Lot 5, Subdivision of Block 5 Lyman Dayton's Addition, Ramsey County, Minnesota, according to the recorded plat thereof, Ramsey County, Minnesota (the "Property"), on January 1, 2003 to the HRA; and

WHEREAS, Covenant Capital, LLC, a Minnesota Limited Liability Company (the "Developer"), has submitted a proposal to the HRA to rehabilitate the existing building at 699 East 7th Street into office space (the "Project"); and

WHEREAS, the HRA, on October 10, 2012, designated the Developer as a "tentative developer" for the Project pursuant to HRA Resolution #12-1907; and

WHEREAS, in order to proceed with the Project, the Developer wishes to purchase the Property from the HRA for the amount of \$50,000.00; and

WHEREAS, the Developer has also requested a loan from the HRA in the amount of \$50,000.00 to be used for the purchase of the Property, for which the obligation to pay will be secured by a mortgage on said property and will have a term of ten (10) years from the date of said conveyance provided the Developer fully complies with the terms and conditions contained in a Development Agreement to be executed between Developer and HRA; and

WHEREAS, HRA and the Developer propose to enter into a Development Agreement, Promissory Note

and Mortgage together with documents related thereto (collectively the "Development Documents"), that will provide, among other things, the terms and condition by which the HRA will sell, convey and finance such sale of the Property to the Developer; and

WHEREAS, the notice of the HRA's proposal to sell the Property to the Developer was published in the Saint Paul Pioneer Press on January 12, 2013, and a public hearing on said proposed sale and provisions thereof, was held on Wednesday, January 23, 2013 at 2:00 p.m., Central Standard Time, third floor City Hall, 15 West Kellogg Boulevard, in the City of Saint Paul, Minnesota; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, that based upon the presentation of staff, the testimony, if any, proffered at the public hearing and the Report to Commissioners that accompanied this Resolution, that:

1. The HRA Board hereby authorizes the execution of a Development Agreement, Promissory Note and Mortgage and documents related thereto (collectively, the "Development Documents"), consistent with the terms and conditions set forth in this Resolution and such other terms and conditions necessary as determined by the Executive Director of the HRA. The HRA Chair or Commissioner, HRA Executive Director and Director, Office of Financial Services are hereby authorized and directed to execute said Development Documents, if required, on behalf of the HRA. The Executive Director of the HRA is hereby authorized to negotiate and agree to any terms, conditions, amendments, deletions or revisions to said Development Documents which do not materially or adversely change the rights or obligations of the HRA as described herein and provided that such amendments are acceptable in form and substance to the Saint Paul City Attorney.

2. The HRA Board hereby approves the HRA's conveyance of the Property legally described in this Resolution to the Developer consistent with the terms and conditions set forth in this Resolution and such other terms and conditions more fully described in the above-described Development Agreement, and further authorizes and directs the HRA Chair/Commissioner to execute the deed of conveyance related thereto.