



Legislation Text

File #: RES 14-2240, **Version:** 1

Approving and authorizing subordination of a STAR loan made to Urban Organics.

WHEREAS, the City of Saint Paul awarded Urban Organics, LLC ("Borrower") a STAR Loan in the amount of \$150,000 ("STAR Loan") to be used in the Borrower's renovation and improvement of a building at the Hamm's site in Saint Paul ("Building") that was purchased from the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota ("HRA"); and

WHEREAS, the Borrower is need of additional financing to complete necessary improvements to the Building and Sunrise Bank is willing to provide private financing in the amount of \$200,000 ("New Private Financing") provided that the City subordinate the STAR Loan to the New Private Financing ("Subordination"); and

WHEREAS, staff is recommending to the City Council that it approve the Subordination since there is sufficient equity in the Building to secure the STAR Loan after the Subordination and it is in the public's best interests that the Borrower expand its growing operations and generate more produce that is sold in local grocery stores; and

WHEREAS, the City Council determines that there is proper public purpose to approve the Subordination; and
NOW, THEREFORE, BE IT RESOLVED by the Saint Paul City Council as follows:

1. The City Council hereby approves the Subordination. The Director of Planning and Economic Development is hereby authorized and directed to negotiate and agree to the terms of the Subordination needed to effectuate this Resolution provided that such documents are acceptable in form and substance to the Saint Paul City Attorney. The appropriate City officials are directed and authorized to execute any documents needed to implement this Resolution.
2. City real estate staff and legal counsel are authorized and directed to take all actions needed to implement this Resolution.