



Legislation Text

File #: RES 15-211, **Version:** 1

Resolution Approving and Authorizing Execution of Agreement for Transfer of Debt in Connection with Phase V of Ames Lake Development, District 2, Ward 6.

WHEREAS, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "HRA") is a public body corporate and politic established pursuant to the provisions of Minnesota Statutes, Section 469.001, et seq. (the "Act"); and

WHEREAS, the HRA has the power to engage in development or redevelopment activities under Minnesota law and the HRA is authorized to engage in activities relating to (a) housing projects and development, (b) removal and prevention of the spread of conditions of blight or deterioration, (c) bringing substandard buildings and improvements into compliance with public standards, (d) disposition of land for private redevelopment, and (e) improving the tax base and the financial stability of the community, and to engage in the aforementioned activities when these needs cannot be met through reliance solely upon private initiative and which can also be undertaken in targeted neighborhoods; and is authorized to create redevelopment projects as defined in Minn Stat Section 469.002, Subd. 14; and

WHEREAS, as more fully described in the staff report accompanying this Resolution, the HRA made several deferred CDBG loans ("HRA Loans") from 2003-2006 for Phases I, II, III and IV of the Ames Lake Development project ("Project"), and the City of Saint Paul made a \$500,000 STAR loan; and

WHEREAS, Real Estate Equities Capital, LLC ("Developer") who has continuously been the general partner of the four affiliated entities who own the four phases of the Project, and who has managed the Project since 2006 is now considering the purchase of four (4) additional buildings located at 1178 Barclay and 1495-1511 Rose consisting of 48 units ("New Rose Apartments") which will become Phase V of the Project; and

WHEREAS, as part of its consideration of purchasing and operating the New Rose Apartments, the Developer has requested that a portion of the HRA Loans be transferred to the Developer or its affiliates upon satisfaction of certain conditions; and

WHEREAS, the City STAR Loan and the Phase III HRA CDBG Loan will be retained by the City and HRA, respectively and will not be transferred to the Developer; and

WHEREAS, with respect to the HRA CDBG loans for Phases I, II and IV, staff has negotiated an Agreement for Transfer of Debt As Part of Acquisition of Phase V of Ames Lake ("Agreement") and staff recommends to the HRA Board approval of the Agreement for the reasons described in the staff report submitted to the HRA Board with this Resolution; and

WHEREAS, by this Resolution the HRA approves the Agreement and finds a public purpose for the actions taken in connection with the Project.

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 HRA Board of Commissioners hereby approves and authorizes the execution of the

Agreement, and any related exhibits and documents.

2. The HRA Executive Director, staff and legal counsel for the HRA are directed and authorized to take all actions necessary to implement this Resolution.

3. The HRA's Executive Director is authorized to negotiate and execute any documents and instruments in connection with this Resolution including without limitation the execution of the Agreement and any related documents.