



Legislation Text

File #: RES 16-1405, **Version:** 1

Resolution Approving and Authorizing a Forgivable Loan of \$500,000.00 to BK 200, LLC For the Redevelopment of Engine Company #3 Firehouse Located at Leech Street and Grand Avenue, Saint Paul, Minnesota, District 9, Ward 2

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, Jim Kelly and Dave Brooks are experienced local real estate developers ("Developers") who have formed BK 200 LLC, a Minnesota limited liability company, to acquire and develop a Marriott hotel on the site ("Site") located at Leech Street and Grand Avenue in Saint Paul, Minnesota, with an investment cost of approximately \$20 million, as more fully described in the staff report submitted to the HRA Board with this Resolution; and

WHEREAS, Engine Co. #3 firehouse ("Firehouse") is situated on the Site, and the community has requested that the Firehouse be preserved and redeveloped; and

WHEREAS, to preserve and redevelop the Firehouse ("Firehouse Project") the Developers are requesting an up-to \$500,000 forgivable loan from the HRA to help finance the Firehouse Project on terms set forth in the staff report ("Financing"), and by this Resolution the HRA approves this Financing and finds a public purpose for the expenditure of public funds for the Firehouse 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 the Financing for the Firehouse Project on the terms set forth in the staff report contingent on: (a) the Developers securing from other sources the necessary funds to complete the Firehouse Project; (b) the Developers submitting documentation to the HRA showing the plans and associated construction costs of the Firehouse Project; (c) the Developers submitting a proforma for the Project demonstrating a financing gap; and (d) the Developers complying with the HRA's compliance requirements by as set forth in the staff report.

2. The budget for the Firehouse Project is hereby approved as detailed in the attached Budget Amendment.

3. The HRA Executive Director, staff and legal counsel for the HRA are further directed and

authorized to take all actions necessary to implement this Resolution. The HRA's Executive Director is authorized to execute any documents and instruments in connection with this Resolution.