



Legislation Text

File #: RES 17-1203, **Version:** 1

Approving assignment of STAR funds for the Schmidt Rathskeller Building Project from West 7th/Fort Road Federation, Inc. to Rathskeller Renaissance, LLC (District 9, Ward 2).

WHEREAS, by RES PH 17-181, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "HRA") adopted a resolution approving and authorizing execution of the development agreement with Rathskeller Renaissance, LLC ("New Developer") for the Schmidt Rathskeller Building Project ("Project"), and the termination ("Termination") of the existing development agreement with the West 7th/Fort Road Federation, Inc. ("Federation")("HRA Resolution"); and

WHEREAS, the Federation was awarded \$600,000.00 of STAR funds from the City of Saint Paul that consisted of a \$400,000 loan evidenced by a STAR Loan Agreement effective November 1, 2012, and a \$200,000 grant evidenced by a STAR Grant Agreement effective November 1, 2012 for the Project, and the remaining undisbursed balances are \$301,001 of loan funds and \$152,802 of grant funds for an aggregate balance of \$453,803 ("STAR Funds"); and

WHEREAS, by RES 15-1479 the City Council approved certain changes to the use of the STAR monies for the Project and one of these changes was a requirement that the STAR monies be spent by July 1, 2016 for the Project; and

WHEREAS, in the Termination agreement the Federation assigns to the New Developer all of the Federation's rights to receive the STAR Funds for the Project, and by this Resolution the City Council is approving this assignment; and

WHEREAS, by this resolution the City Council finds a public purpose for the assignment of STAR Funds to the New Developer.

NOW, THEREFORE, BE IT RESOLVED by the Saint Paul City Council that:

1. The City Council hereby approves the assignment of the STAR Funds from the Federation to the New Developer, and directs that the STAR Funds must be spent by the timeline set forth in the development agreement with the New Developer.
2. The Director of PED, staff and legal counsel for the City are directed and authorized to take all actions necessary to implement this Resolution. The PED Director is authorized to execute any documents and instruments in connection with this Resolution.