



Legislation Text

File #: RES 17-1711, **Version:** 1

Approving and authorizing subordination of a STAR loan made to East Side Enterprise Center.

WHEREAS, on July 10, 2013, the City of Saint Paul awarded East Side Enterprise Center, LLC ("Borrower") a STAR Loan in the amount of \$150,000 (the "STAR Loan") for Borrower's acquisition and renovation of a building at 804 Margaret Street in Saint Paul (the "Building") that was purchased from Cleo Kelly ("Seller"); and

WHEREAS, the Borrower is need of additional financing relative to the Building, and Sunrise Bank is willing to provide private financing in the amount of \$300,000 ("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, as 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 to support more businesses in the East Side of Saint Paul; and

WHEREAS, the City Council determines that there is proper public purpose to approve the Subordination; and

WHEREAS, the Credit Committee reviewed and recommended approval of this subordination on September 18, 2017;

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.