



Legislation Text

File #: RES 20-975, **Version:** 1

Approving and authorizing subordination of a STAR loan made to Bad Weather Brewing.

WHEREAS, on July 9th, 2014, the City of Saint Paul awarded Bad Weather Brewing, LLC ("Borrower") a STAR loan in the amount of \$150,000 (the "STAR Loan") for Borrower's acquisition and renovation of a building at 414 W. 7th Street in Saint Paul (the "Project"); and

WHEREAS, the Borrower wishes to replace the first position lender with Drake Bank, which will provide the same amount and term but with a lower interest rate ("Private Financing") provided that the City subordinate the STAR Loan to the Private Financing; and

WHEREAS, staff is recommending to the City Council that it approve the Subordination, as there is sufficient collateral in the Project to secure the STAR Loan after the Subordination, and it is in the public's best interests that the Borrower benefit from the lower interest rate; 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 June 30, 2020;

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 legal counsel is authorized and directed to take all actions needed to implement this Resolution.