



Legislation Text

File #: RES 20-1422, **Version:** 1

Resolution approving the issuance of a \$100,000 loan under the Job Opportunity Fund program to Hi Hi, LLC, 1079 Rice Street, District 6, Ward 5

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, Hi Hi, LLC is a new business and event center that has requested a loan in the amount of \$100,000 from the HRA Job Opportunity Fund Program (the "Loan") to be used for capital improvements to 1079 Rice Street (the "Project"); and

WHEREAS, the purpose of this loan incentives businesses to create new jobs in Saint Paul in Areas of Concentration Poverty of 50% (ACP50) by offering low-interest loans with further incentives to hire residents of ACP50; and

WHEREAS, the Loan is funded from approved fiscal year 2018 budgeted funds in the HRA Loan Enterprise Fund- Job Opportunity Fund; and

WHEREAS, PED staff has presented a report and a summary of loan terms regarding the financing of the Project; and

Now, therefore, Be It Resolved, by the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota as follows:

1. Approval is hereby granted for a loan of up to \$100,000 to Hi Hi, LLC under the following terms: eight-year term, one year deferred and seven years amortizing. The interest rate would be 2.25% (prime minus one percent). Consistent with the JOF program guidelines, the note is up to 50% principal forgivable: 20% forgiveness for initial job creation of ten jobs created for a five-year period, and an additional 30% forgiveness for hiring ACP50 residents for the new jobs and with such additional terms, conditions, and amendments as deemed necessary and appropriate by the HRA Executive Director and City Attorney.

BE IT FURTHER RESOLVED, the Executive Director of the HRA and other appropriate HRA officials are authorized to execute the necessary documents in connection with the Loan, in form acceptable to the City Attorney on behalf of the HRA, and the HRA Executive Director, HRA staff and attorney are hereby authorized and directed to take all actions needed to implement this Resolution.