

## BILL/ RESOLUTION REQUEST

**1. Title:** Newsed Community Development Corp. (GE-2Y004) is requesting an amendment and modification of its existing repayment schedule.

**2. Requesting Agency:** Office of Economic Development

**3. Contact Person with actual knowledge of proposed ordinance**

**Name:**Rick Snyder

**Phone:**(720) 913-1631

**Email:**rick.snyder@denvergov.org

**4. Contact Person with actual knowledge of proposed ordinance who will present the item at Mayor Council and who will be available for first and second reading, if necessary**

**Name:**Seneca Holmes

**Phone:**(720) 913-1533

**Email:**seneca.holmes@denvergov.org

**5. Describe the proposed ordinance, including what the proposed ordinance is intended to accomplish, who's involved**

**a. Scope of Work**

GE-2Y004 is \$1M loan with 3% interest issued January 14, 2001 to Newsed Community Development Corporation for the construction of a property at 901 W. 10th Avenue known as the Villa De Barela. The current loan balance is \$940,162.86. The proposed amendment will modify loan repayments as follows:

- Beginning June 1, 2010 and continuing until May 1, 2012, monthly P&I payments of \$4,216.04 shall be deferred. No interest shall accrue during the deferral period.
- Thirty days prior to June 1, 2012, interest shall begin accruing at 3%.
- Beginning June 1, 2012, monthly P&I payments shall be reduced to \$3,000 from \$4,216.04 and shall be due and payable monthly until and including December 1, 2018.
- The approximate loan balance as of December 1, 2018 will be \$883,364.78.
- On January 1, 2019, monthly P&I payments shall be increased from \$3,000 to \$5,000 and shall be due and payable monthly until and including December 1, 2025.
- The approximate loan balance as of December 1, 2025 will be \$622,169.50.
- On December 1, 2025 the interest rate shall be reduced from 3% to 1.5%
- On January 1, 2026, monthly P&I payments shall be increased from \$5,000 to \$8,000 and shall be due and payable monthly until and including October 1, 2032.

**b. Duration**

January 14, 2004 to January 1, 2032

**c. Location**

901 W 10th Avenue

**d. Affected Council District**

CD 9

**e. Benefits**

The amended repayment schedule will allow Newsed to improve its financial condition.

**f. Costs**

Loss of principal-only payments for two years and an extended amortization period.

**6. Is there any controversy surrounding this ordinance, groups or individuals who may have concerns about it? Please explain.**

None.

**Bill Request Number: BR12-0138**

**Date: 2/14/2012**