

BILL/ RESOLUTION REQUEST

1. Title: Modifies a HUD Section 108 loan between TAXI Building III, LLC and the Denver Office of Economic Development to extend the disbursement deadline from June 30, 2011 to December 31, 2014, move repayment schedule from October 1, 2011 to October 1, 2014, and increase TAXI III interest rate 0.5% above the rate charged to OED by HUD to a 2.5% increase for OED's HUD repayments made during the TAXI deferral period (loans #1692-01-01 and 1692-901-02).

2. Requesting Agency: Office of Economic Development

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

Name: Jeff Romine

Phone: 720-913-1526

Email: Jeff.Romine@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

TAXI Building III, through the Office of Economic Development, secured \$8 million in Housing and Urban Development HUD funds, \$6 million in Section 108 funds and \$2 million in Brown Field Economic Development Initiative (BEDI) Funds. The current outstanding balance of the Section 108 loan is \$451,920.58. The BEDI does not require payment and will be forgiven in 2025. Last year, TAXI III's primary lender withdrew from the project and effectively stalled development on the site. Consequently, TAXI III is requesting a moratorium and revised payment schedule for the Section 108 loan while the project obtains additional financing and lease-ups.

The proposed modification will:

-Extend the disbursement deadline from June 30, 2011 to December 31, 2014

-Beginning repayment schedule will be moved from October 1, 2011 to October 1, 2014

-OED Loan to TAXI III will increase from 0.5% above the interest rate charged to OED by HUD to a 2.5% increase for OED's HUD repayments made during the TAXI deferral period.

b. Duration

October 1, 2014 to September 30, 2015

c. Location

3459 Ringsby Court

d. Affected Council District

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e. Benefits

Allows a major neighborhood development to move forward with additional job creation obtained. Allows for lease-ups and project stabilization

f. Costs

N/A

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

None known. At least one Councilmember has taken exception with OED's use of Section 108 funds. The moratorium on TAXI's 108 payments combined with the adjoining ordinance request for an additional \$155,000 OED loan to TAXI may cause concern.

Bill Request Number: BR11-0446

Date: 6/7/2011