

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team
at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**.

****All fields must be completed.****

Incomplete request forms will be returned to sender which may cause a delay in processing.

Date of Request: December 29, 2014

Please mark one: **Bill Request** or **Resolution Request**

1. Has your agency submitted this request in the last 12 months?

Yes **No**

If yes, please explain:

2. Title: *(Include a concise, one sentence description – please include name of company or contractor and contract control number - that clearly indicates the type of request: grant acceptance, contract execution, amendment, municipal code change, supplemental request, etc.)*

The Office of Economic Development (OED) is seeking approval to amend a contract with 2300 Welton LLC (OEDEV-CE63028-04). The amendment will change the OED issued loan interest rate from 3% simple interest to 3% compound interest.

3. Requesting Agency: Office of Economic Development

4. Contact Person: *(With actual knowledge of proposed ordinance/resolution.)*

- **Name:** John Lucero
- **Phone:** 720-913-1621
- **Email:** john.lucero@denvergov.org

5. Contact Person: *(With actual knowledge of proposed ordinance/resolution 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

6. General description of proposed ordinance including contract scope of work if applicable:

On December 1, 2014, Denver City Council approved a fourth amendment and modification agreement with Glenarm Residences LLC., now referred to as 2300 Welton LLC. to modify the structure and extend the maturity date of an OED issued loan. That amendment was to allow for the development of 223 income restricted residential units in the Five Points Neighborhood. OED is now requesting an additional modification of the loan to change the interest rate from 3% simple interest to 3% compound interest. This modification is necessary for the tax credit equity investors to invest into the subject's Low Income Housing Tax Credit (LIHTC) offering.

****Please complete the following fields:** *(Incomplete fields may result in a delay in processing. If a field is not applicable, please enter N/A for that field.)*

- a. **Contract Control Number:** OEDEV-CE63028-04
- b. **Duration:** July 1, 2057 (unchanged)
- c. **Location:** 2300 Welton Street and 515 Park Avenue West, Denver, CO 80205
- d. **Affected Council District:** 8
- e. **Benefits:** The change in interest rate is needed for the tax credit equity investors in the subject project.
- f. **Costs:** \$1,069,742 (unchanged)

7. Is there any controversy surrounding this ordinance? (Groups or individuals who may have concerns about it?) Please explain. None known.

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: _____

Date Entered: _____

ORDINANCE/RESOLUTION REQUEST

Executive Summary

Purpose: This amendment will change the interest rate from 3% simple interest to 3% compound interest.

Contract Entity: 2300 Welton LLC

Contract Control Number: OEDEV-CE63028-04

Contract Amount: \$1,069,742

Program: IHO

Location: 2300 Welton Street and 515 Park Avenue West, Denver, CO 80205

Description: The subject project will encompass a 223 unit affordable housing community built on 1.44 acres of land located in the Five Points neighborhood. 212 of the units will be restricted to renters with income that does not exceed 60% AMI. 11 of the units will be restricted to renters with income that does not exceed 30% AMI.

The change in interest rate is required by the tax credit equity investors in the subject project because the interest rate based on simple interest will result in a taxing event for the investors. Moving the interest rate to compound interest eliminates the potential for a taxing event to the tax credit equity investors.

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