



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-7000

OFFICE OF COMMUNITY PLANNING  
AND DEVELOPMENT

JAN 25 2012

08-522-B

Mr. John R. Lucero  
Deputy Director  
City of Denver Office of Economic Development  
201 W. Colfax Avenue, Dept. 208  
Denver, CO 80202

Dear Mr. Lucero:

This is in response to the City of Denver's recent request letter, dated December 12, 2011, to amend an approved and previously amended, Section 108 Loan Guarantee application and its related Brownfields Economic Development Initiative (BEDI) grant agreement.

In November of 2007, the City of Denver received approval for an amendment requesting the Section 108 loan guarantee financing and BEDI Grant funds allocated in the Taxi Redevelopment Project from Phase II to Phase III for a similar project on an adjacent parcel within the same redevelopment complex. Phase II was completed using other sources of funding made available to the developer.

The City's current request is to reconfigure the proposed commercial building on the same parcel from 95,000 square feet to 38,000 square feet of commercial space, with approximately 25 smaller commercial condos and 2 floors of larger open commercial space. The City's request also includes a revised Section 108 repayment schedule, and a request to waive the 3 to 1 disbursement ratio of Section 108 financing to BEDI grant funds, as required in paragraph 3 of the BEDI Grant Agreement. The total project cost is reduced from \$18,000,000 to \$9,000,000. The reconfigured project is estimated to create 212 full time equivalent jobs.

The City has \$5,548,000 in Section 108 financing and \$937,130 of BEDI grant funds available until September 30, 2012 to complete the proposed project.

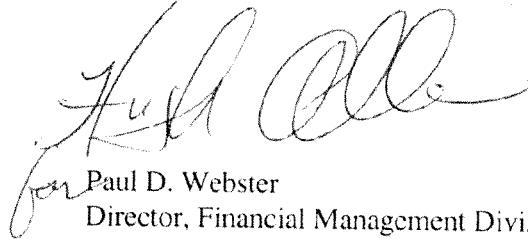
Please be informed that the City of Denver's request to amend its Section 108 Loan Guarantee application, B-06-MC-08-0005, does not require prior HUD approval because it does not substantially change the purpose, scope, location, or beneficiaries of the activities previously approved by HUD. Similarly, the Department has determined that the BEDI grant associated with this Section 108 Loan will not require an amendment. Although HUD cannot waive the disbursement ratio of Section 108 financing to BEDI grant funds, as required by the BEDI Grant

Agreement, HUD is revising the disbursement ratio to \$5.90 of Section 108 financing to each \$1.00 of BEDI grant funds. However, the City will be permitted to demonstrate compliance with that ratio by September 30, 2012.

The modification to the Taxi Phase III commercial project and BEDI Grant Agreement revision are contained in the attached amendment. Please have this document signed and returned to HUD for final execution.

If you have any questions regarding this matter, please call Stephen D. Slade at (202) 708-1871.

Sincerely,

A handwritten signature in cursive script, appearing to read "Paul D. Webster".

Paul D. Webster  
Director, Financial Management Division

Attachment

**U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**  
**BROWNFIELDS ECONOMIC DEVELOPMENT (BEDI) GRANT AGREEMENT**

**FIRST AMENDMENT**

Date of Amendment \_\_\_\_\_

**RECIPIENT:** City of Denver, Colorado

**GRANT NUMBER:** B-05-BD-08-0008      **GRANT AMOUNT:** \$2,000,000

**GRANT AGREEMENT DATED:** August 21, 2008

**PROJECT:** Taxi Redevelopment Project

This First Amendment is entered into by the Secretary of Housing and Urban Development ("Secretary") and the City of Denver, Colorado ("Recipient").

RECITALS

**WHEREAS**, the Secretary and Recipient entered into a certain BEDI Grant Agreement dated as of August 21, 2008 (the "Grant Agreement"); and

**WHEREAS**, the BEDI grant award was funded from FY2005 and FY2006 appropriations: \$1,062,870 from FY2005 and \$937,130 from FY2006; and

**WHEREAS**, the grant balance of the 2005 funds expired on September 30, 2011 and the grant balance of the 2006 BEDI, in the amount of \$937,130, remains available until September 30, 2012; and

**WHEREAS**, the disbursement ratio relative to the Section 108 Guarantee proceeds is being revised to reflect the current balances of the remaining Section 108 Guaranteed Loan Funds (\$5,548,000) and the BEDI grant award (\$937,130); and

**WHEREAS**, the Secretary and Recipient now desire to amend the Grant Agreement to further clarify and facilitate the consummation of the transaction contemplated therein;

**NOW, THEREFORE,** in consideration of the premises and the mutual covenants and agreement set forth herein, the Secretary and Recipient mutually agree that the Grant Agreement be and hereby is amended as follows:

**Paragraph 6.c.**

The date by when the BEDI Grant must be entirely withdrawn and expended for Approved Uses for the applicable Approved Project is extended from September 30, 2011 to September 30, 2012.

**Paragraph 13. Special Conditions.**

The following Special Conditions are inserted as Paragraph 13:

a. This Grant Agreement in the amount of \$937,130 is incorporated in a Contract for Loan Guarantee Assistance dated August 21, 2008 under Commitment Number B-06-MC-53-0013 in the amount of \$5,548,000 entered into by the Recipient and the Secretary of Housing and Urban Development (the "Contract") and made a part thereof.

b. Paragraph 3 of the Grant Agreement requires that BEDI Grant funds are to be disbursed by the Recipient for Approved Uses in a ratio not to exceed \$1.00 of BEDI Grant funds to \$5.90 of Section 108 Guaranteed Loan Funds disbursed for approved activities. Notwithstanding this requirement, the Recipient may disburse for Approved Uses its BEDI funds in an amount that does not immediately comply with the required ratio. However, all funds must be expended by the deadline of September 30, 2012.

c. In the event the Recipient fails to use Section 108 Guarantee proceeds for Approved Uses in implementing the Approved Project within the time period permitted in paragraph 1(a) of the Contract (including any extensions of such period approved by HUD), the BEDI grant must be repaid to HUD to the extent that the amount of BEDI funds withdrawn and not repaid to HUD exceeds \$1.00 of BEDI funds for each \$5.90 of Section 108 Guarantee proceeds actually used for approved activities. For example, if all BEDI Grant funds have been disbursed to the Recipient and not repaid to HUD, the amount of BEDI Grant funds repaid shall be equal to the difference between the total required amount of Section 108 Guarantee proceeds (\$5,548,000) and the amount of Section 108 funds actually used for approved activities divided by 5.90. Repayment shall be made within one year after the end of such time period-specified paragraph 1(a) of the Contract (including any extensions of such period approved by HUD). Any repayment shall be from sources other than the Section 108 Guarantee proceeds. Recipient's CDBG Entitlement funds are an acceptable source of repayment

d. In the event the Recipient is required to repay BEDI grant funds pursuant to paragraph 13.c. above, the Recipient shall pay interest on such repayment. Interest shall be remitted to HUD and shall be calculated at the prevailing Federal rate (which rate will be furnished by the U.S. Treasury) for the period beginning one year after the date of the Grant Agreement, plus any extension granted pursuant to paragraph 13.b. above, and ending upon the full and final repayment of the amount determined under paragraph 13.c. above.

**[Remainder of Page Intentionally Left Blank]**

**THE UNDERSIGNED**, as authorized officials on behalf of the Recipient or the Secretary, have executed this First Amendment to the BEDI Grant Agreement, it being understood and agreed that no provisions of the Grant Agreement, other than those in paragraphs 6.c. and 13, as set forth above, have been changed, and that the Grant Agreement, as amended, continues in full force and effect.

The City of Denver CO  
**RECIPIENT**

**BY:** \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
Employer Identification Number  
(EIN) of Recipient

**SECRETARY OF HOUSING AND URBAN  
DEVELOPMENT**

**BY:** \_\_\_\_\_  
(Signature)

Yolanda Chávez  
\_\_\_\_\_  
(Name)

Deputy Assistant Secretary  
for Grant Programs  
\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)