

## **BILL/ RESOLUTION REQUEST**

**1. Title:** Amends an existing contract, GE6A010-3, to modify repayment terms and conditions for the federally funded Community Development Block Grant loan with St. Charles Town Company Theater, LLC (Lowenstein Development).

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

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

**Name:**Bryan Slekes

**Phone:**720-913-1629

**Email:**bryan.slekes@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**

OED is requesting the following amendments to an existing contract with St. Charles Town Company Theater, LLC (Lowenstein Development) (Please see attached Executive Summary):

1. Effective November 1, 2011, principal and interest payments due under the loan shall be suspended until the senior TIF loan is fully repaid. Interest will continue to accrue at a rate of 3% during this deferral period. Balance of senior TIF loan is approximately \$1.5M and is projected to be fully retired mid-2014.

2. All TIF reimbursements available under the Redevelopment Agreement between SCTCT and DURA shall be collaterally assigned to Lowenstein TIF LLC (buyer of US Bank TIF note) until repaid. Subsequently, all available TIF reimbursements shall be collaterally assigned to OED until the TIF repayment period ends, and reimbursements will be paid directly from DURA to OED. Furthermore, until senior debt is fully retired, a monthly accounting acceptable to OED of said TIF reimbursements and outstanding balance of the senior TIF debt shall be provided to OED. OED shall execute a subordination agreement to this effect in favor of Lowenstein TIF LLC.

3. OED shall release Mr. Charles H. Woolley, II as personal guarantor.

4. OED shall execute a full release of deed of trust encumbering the property known as the Equitable Building, Unit 2D, which was originally used as a secondary source of collateralization.

5. SCTCT shall be granted a buy-out option in the amount of \$1,507,723 at any time with OED having a first right of refusal.
6. OED shall be granted a participating interest in the net proceeds from the sale of the property less all senior debt payoff and reasonable commissions and closing costs. The maximum repayment obligation shall not exceed \$860,000.
7. Upon the expiration of OED TIF reimbursements AND sale of the property, OED shall agree to forgive any remaining outstanding balance of the loan.

**b. Duration**

Based on various factors as detailed in Executive Summary

**c. Location**

2526 E. Colfax Avenue, Denver, Colorado

**d. Affected Council District**

10

**e. Benefits**

Job creation, redevelopment of blighted property

**f. Costs**

\$2,400,000

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

No

**Bill Request Number: BR11-0846**

**Date: 11/8/2011**