

OED Proposed Loan Amendments:

Newsed/Santa Fe Drive Redevelopment Corporation

The Office of Economic Development is undertaking a comprehensive loan portfolio workout for Newsed Community Development Corporation and Santa Fe Drive Redevelopment Corporation (SFDRRC). OED is proposing amendments to 5 loans. One of the loans being amended is for \$1M and requires City Council approval.

The amendments to the Newsed/SFDRRC portfolio will allow the organizations to operate in a financially sustainable manner while still paying their obligations to the City. After approximately a year of negotiations with the borrower and careful review of the organizations financials, OED is proposing to amend repayment schedules to eliminate existing balloons and allow for feasible monthly payments. With these changes, OED expects that these organizations can operate with greater long-term financial certainty and without need for numerous future loan modifications.

Descriptions of the original loan terms and the proposed modifications are as follows:

Newsed #1

- Loan Date; September 2, 1993
- Loan Amount: \$405,000
- Current Loan Balance: \$196,870.00
- Monthly Payment or Payment Terms: All principal and interest due on April 1, 1995
- Use of Proceeds: Purchase 1029 Santa Fe Drive
- Proposed Amendment:
 - Monthly principal-only payments reduced to \$900 from \$1,500 until loan maturity, August 1, 2030.

Newsed #2

- Loan Date; April 18, 2000
- Loan Amount: \$127,000
- Current Loan Balance: \$103,465.45
- Monthly Payment: \$534.44
- Use of Proceeds: Renovation of 1029 Santa Fe Drive
- Proposed Amendment:
 - Deferral of loan payments until May 1, 2012.
 - June 1, 2012, the monthly P&I payments resume until loan maturity, June 1, 2034

Newsed #3

- Loan Date; January 14, 2004
- Loan Amount: \$1,000,000
- Current Loan Balance: \$940,162.86
- Monthly Payment: \$4,216.04
- Use of Proceeds: Construction of 901 W 10th Avenue aka Villa De Barela
- Proposed Amendments:
 - P&I payments reduced to \$3,000 from \$4,216.04 until December 1, 2018.
 - January 1, 2019, monthly P&I payments increased from \$3,000 to \$5,000 until December 1, 2025.
 - On December 1, 2025 the interest rate reduced from 3% to 1.5%
 - On January 1, 2026, monthly P&I payments increased from \$5,000 to \$8,000 until October 1, 2032.

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: _____

Date Entered: _____

Santa Fe Drive Redevelopment Corp. #1

- Loan Date; November 14, 1988
- Loan Amount: \$390,000
- Current Loan Balance: \$259,235.00
- Monthly Payment or Payment Terms: Repayment based on project cash flow evaluation on July 21, 1995
- Maturity: June 1, 2011
- Use of Proceeds: Acquisition, demolition and construction of parking lot, renovation of existing building
- Proposed Amendment:
 - Principal-only loan payments of \$900 until the new maturity date of January 1, 2036

Santa Fe Drive Redevelopment Corp. #2

- Loan Date; August 21, 1990
- Loan Amount: \$163,000
- Current Loan Balance: \$96,370
- Monthly Payment or Payment Terms: All principal due on August 1, 1995
- Maturity: June 1, 2011
- Use of Proceeds: Acquisition, demolition, and construction of a parking lot
- Proposed Amendment:
 - Principal-only loan payments of \$600 until the new maturity date of April 1, 2025.

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: _____

Date Entered: _____