



Legislation Text

File #: 12386, **Version:** 1

Fiscal Note

This resolution authorizes a \$250,000 end loan from the Madison Capital Revolving Fund (MCRF) to Blount Street, LLC and 301 Blount Historic Building, LLC for structural improvements and renovation of the building located at 301 Blount Street and 702-06 Williamson Street. Loan proceeds will be provided upon satisfactory completion of the project in conformance with the terms and conditions of the original MCRF loan agreement approved earlier this year. The term of the loan would be a maximum of seven (7) years at an interest rate of 3% in Years One (1) through Five (5), interest of 4% in Year Six (6) and interest of 5% in Year Seven (7). The borrower will make quarterly principal and interest payments with a balloon payment of remaining principal and interest due in Year Seven (7). The borrower's obligation to repay would be secured by a subordinated mortgage on the property and the borrower will provide the City with a personal guaranty for the loan. The 2008 Capital Budget authorizes \$1,000,000 for MCRF loans and the existing fund balance in the MCRF program is sufficient to fund this loan without additional borrowing.

Title

Amending RES-08-00185 File ID 08923 funding a \$250,000 Madison Capital Revolving Fund (MCRF) loan to Blount Street, LLC and 301 Blount Historic Building, LLC.

Body

WHEREAS, on February 26, 2008 the Common Council of the City of Madison adopted RES-08-00185 File ID 08923 to authorize the Mayor and City Clerk to execute an agreement to fund a \$250,000 Madison Capital Revolving Fund (MCRF) loan to Blount Street, LLC to renovate 301 Blount Street and 702-06 Williamson Street into 51,000 SF of commercial space; and

WHEREAS, Martin Rifken is the managing member of Blount Street, LLC; and

WHEREAS, Mr. Rifken has sold the 301 S. Blount property to one 301 Blount Historic Building, LLC for the purposes of securing historic tax credits for the project; and

WHEREAS, the City's loan shall be made to Blount Street, LLC and 301 Blount Historic Building, LLC (collectively, the "Borrower").

NOW THEREFORE BE IT RESOLVED that Mayor and City Clerk be authorized to execute an agreement to fund a \$250,000 MCRF loan to the Borrower as described herein under the same terms and conditions as authorized in RES-08-00185.