Legislation Text

File #: 27982, **Version:** 1

Fiscal Note

This resolution changes the timing of tax incremental finance loans in TID 41. All other provisions remain the same. There is no fiscal effect from this change.

Title

Amending Enactment No. RES-12-00540 regarding Tax Incremental Finance loans to University Row Apartments, LLC and University Crossing Office, LLC.

Body

On July 17, 2012, the Common Council adopted Enactment No. RES-12-00540, File No. 26844 (the "Original Resolution") that authorized the execution of two development agreements to fund tax incremental finance loans in the principal amounts of $2,019,000 and $1,087,000 to University Row Apartments, LLC and University Crossing Office, LLC, respectively (collectively, "Developer"). Developer's property is located on University Avenue in Tax Incremental Finance District Number 41. Under the terms of the Original Resolution, the TIF loans were to be end-loans, disbursed by the City to Developer upon the completion of the apartment and office projects, as evidenced by the issuance of certificates of occupancy. Developer has requested that the City amend the Original Resolution to allow the disbursement of the TIF Loan proceeds prior to completion of the projects' construction. It is estimated that the TIF loan disbursements will occur in mid-2013. The funding is contingent on approval in the 2013 capital budget.

NOW, THEREFORE, BE IT RESOLVED that:

1. Enactment No. RES-12-00540 is amended to:
   (a) delete all references to the TIF loans being end-loans;
   (b) revise Sections 2 and 23 to provide that each TIF loan shall be disbursed by the City in accordance with a Disbursing Agreement by and between the City and Developer, and that TIF Loan proceeds shall not be disbursed prior to Developer providing documentary evidence satisfactory to the City Attorney that Developer's required equity investments and bank loan proceeds in the aggregate amount of $19,070,000 for the Apartments Project and $13,403,000 for the Office Project have been fully disbursed;
   (c) revise Section 6 to reduce the required amount of expended Project Costs and Financing from $22,561,397 to $19,455,000 for the Apartments Project audit.
2. All other terms and conditions of Enactment No. RES-12-00540, including but not limited to the PILOT payment and equity participation payment provisions, shall remain the same.
3. The Mayor and City Clerk are authorized to execute a Disbursing Agreement and two development agreements with Developer consistent with the terms of the Original Resolution, as amended by this Resolution, all in a form to be approved by the City Attorney.