



Legislation Text

File #: 35334, **Version:** 1

Fiscal Note

No appropriation is required.

Title

Authorizing the Mayor and City Clerk to execute an amendment to the Tax Increment Financing Loan Agreement by and between the City and University Row Apartments, LLC

Body

In 2013, the City and University Row Apartments, LLC ("Developer") entered into a TIF Loan Agreement under which the City provided \$2,019,000 to Developer to assist in Developer's construction of a 118 unit residential rental apartment project with first floor retail located in TID 41 (University-Whitney). Under the 2013 TIF Loan Agreement, the City agreed to subordinate its second mortgage lien to a first mortgage lien not exceeding \$16,700,000. Developer desires to refinance its first mortgage and to increase its financing to \$16,960,000, and has asked the City to amend the TIF Loan Agreement to provide for the increased first mortgage loan amount and to subordinate its mortgage lien to such increased loan amount. Developer states that the increased private financing is necessary due to increased construction and development expenses. The project is completed and occupied, and Developer has submitted an appraisal to the City showing that the combined loan amounts are less than 80% of the project's appraised value. Developer is current in its TIF Loan obligations and no default exists under the TIF Loan Agreement.

Now, therefore, be it resolved, that the Mayor and City Clerk are hereby authorized to execute an amendment to the TIF Loan Agreement with Developer and a Subordination Agreement with Developer's first mortgage lender to subordinate the City's second mortgage lien to an increase in Developer's first mortgage financing.