



Legislation Text

File #: ID 15-0486, **Version:** 1

Ordinance in the Amount of \$534,233 Amending the Neighborhood Redevelopment Fund Budget for the Appropriation of Funds for the Renaissance Shops at Phillips Avenue Development Project

Department: City Manager's Office
Council District: 2

Public Hearing:
Advertising Date/By:

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PURPOSE: To amend the Neighborhood Redevelopment Fund budget in the amount of \$534,233 to fund a portion of the economic development loan to Self-Help Venture Funds (SHVF) for redevelopment of the former Bessemer Shopping Center as the Renaissance Shops at Phillips Avenue.

BACKGROUND: On April 14, 2014 City Council authorized the sale of the former shopping center site to SHVF for \$490,000 (\$266,169 of this amount must be repaid to the CDBG fund for future use) and a forgivable loan of up to \$2.0 million for redevelopment of the property. SHVF will invest at least an additional \$2.5 million in the project. The Economic Development Loan Agreement was executed and the property transferred on January 30, 2015. The first draw on the loan of \$400,000 will be processed in June 2015. Remaining progress payments of \$400,000 each will be made as conditions of the loan agreement are met. The loan will be funded from the following sources:

Economic Development Fund	\$ 861,450
Economic Development Bond Fund	300,000
Redevelopment Bond Fund	<u>838,550</u>
Total	\$2,000,000

BUDGET IMPACT: Funding for this development loan will be made available from the Economic Development Fund FY14-15 and FY15-16 Budgets (\$861,450), the Economic Development Bond Fund Budget (\$300,000), and the Redevelopment Bond Fund Budget (\$838,550). A budget ordinance amending the Redevelopment Bond Fund in the amount of \$534,233 is needed to appropriate eligible proceeds from the property sale (\$223,831) and available redevelopment program revenue (\$310,402) for the project. A budget adjustment is required to move funding into the correct accounts.

RECOMMENDATION / ACTION REQUESTED: The City Manager's Office requests City Council approval of the attached budget ordinance amending the Redevelopment Bond Fund Budget in the amount of \$534,233.