

DEPARTMENT OF ECONOMIC DEVELOPMENT

SUMMARY FOR THE LEGISLATIVE FILE

ORDINANCE NO: 865-209

In 2002, the City entered into a series of agreements with BPDC Building Ltd., a special-purpose entity to fund the acquisition and redevelopment of a retail center at 14701 Puritas Avenue. The building houses a US Bank Branch and the BPDC offices.

As part of the financing package for the project, the City provided a loan of \$200,000. The City's loan was on a 20-year term at 0% interest. The current balance is \$47,122.13 and has approximately 4 more years of payments. BPDC has been making regular monthly payments and has performed its obligations under the agreement.

Requested City Assistance:

BPDC has indicated that the building revenue has recently gone down as a result of the renewal of the bank lease at a lower rate. Market comparables have decreased over the last few years. In addition, they have indicated a need to invest over \$120,000 in roof and HVAC replacement over the next 3 years. With the revenue reduction, the City's loan payments impede BPDC's ability to get financing and re-invest in the building. The forgiveness of the loan will allow BPDC to re-invest in the building and maintain the property.