

## Legislation Text

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**File #:** BILL NO. 19-264, **Version:** 1

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An Ordinance approving an Amended and Restated Plan for an Industrial Development Project for Residences at Echelon, approving the issuance of an additional \$9,000,000 of Industrial Development Revenue Bonds for the Project, and approving the amendment of certain documents in connection therewith. (Note: First reading by Council on December 3, 2019.)

Issue/Request:

An Ordinance approving an Amended and Restated Plan for an Industrial Development Project for Residences at Echelon, approving the issuance of an additional \$9,000,000 of Industrial Development Revenue Bonds for the Project, and approving the amendment of certain documents in connection therewith.

Key Issues:

Approval of this ordinance will amend the currently approved Payment in Lieu of Taxes (PILOT) schedule for the project by extending the PILOT schedule by one year from 2028 to 2029; authorize additional bond capacity in the amount of \$9,000,000 for a total maximum principal amount not to exceed \$36,000,000; extend the maturity of the Bonds by one year to December 1, 2029; and extend the term of the Lease by one year to December 1, 2029. Approval of the ordinance would authorize the Mayor, City Manager, Director of Finance, City Clerk and other officials, agents, and employees of the City to take such further action and execute such documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of the ordinance.

Proposed City Council Motion:

I move for adoption of an Ordinance approving an Amended and Restated Plan for an Industrial Development Project for Residences at Echelon, approving the issuance of an additional \$9,000,000 of Industrial Development Revenue Bonds for the Project, and approving the amendment of certain documents in connection therewith.

Background:

On January 12, 2017 the City Council passed Ordinance No. 8069, authorizing the City to issue its Taxable Industrial Development Revenue Bonds (Residences at Echelon Project), Series 2017, in the maximum principal amount of \$27,000,000 for the purpose of acquiring and improving certain real property including the construction and improvement of a luxury multi-family apartment project on the project site. The project consists of the design and construction of a 243 unit luxury apartment development in which the company receives tax abatement under the Chapter 100 structure on the real property included in the project. However, the company makes fixed PILOTS in accordance with the approved PILOT schedule. The PILOT schedule was based on information provided to the Council by City staff regarding the tax payments on comparable properties at the time of consideration. The approved PILOT amount was based on \$993 per unit beginning in 2019 upon anticipated project completion.

Mark Dunning, Assistant City Manager

David Bushek, Chief Counsel of Economic Development & Planning

Staff recommends approval of the ordinance.