

IV. BACKGROUND

Due to the recent changes in the capital and financial market underwriting requirements, the Dealership's anticipated \$2.2 million loan from the Grow America Fund (GAF) will not fund in the original time period projected. Proceeds from the GAF loan have been committed to repay the \$500,000.00 interim development loan.

On January 28, 2011, the Dealership received a loan commitment of approximately \$1.7 million from the GAF for the upgrade and redevelopment of its existing Hyundai dealership. The GAF loan was then amended to include an additional \$500,000.00 and was to have funded by now but has not done so. The Dealership approached the Agency with a second request to extend the term of the loan for an additional 45 days. Upon the Dealership's receipt of the GAF funds, it will immediately repay the Agency loan in full. To date the Dealership continues to expend its own funds on pre-development costs, in order to meet corporate Hyundai's deadline for a new Hyundai dealership by the end of 2011. Without the Agency's interim loan, which has given the project the ability to continue moving ahead, that goal may not be reached.

V. FISCAL IMPACT

The Agency will receive \$500,000.00 from the Dealership within 45 days from authorization of the second amendment.

VI. EXHIBITS

1. Resolution No 11-42. (pgs. 3-4)
2. Second Amendment to the Owner Participation Agreement/Amended and Restated OPA Note. (pgs. 5-8)
3. Minutes February 1, 2011, Item No. (3A). (pg. 9)

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TO:Rev010511

Reviewed by:

City Clerk	City Treasurer
Administrative Services	Development Services
Economic Development Services	Public Services

Action taken by Redevelopment Agency

Date _____ Action _____