

**CITY COUNCIL RESEARCH DIVISION
LEGISLATIVE SUMMARY**



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Bill Type and Number: Ordinance 2024-491

Introducer/Sponsor(s): Council President at the request of the Mayor

Date of Introduction: June 25, 2024

Committee(s) of Reference: F

Date of Analysis: June 27, 2024

Type of Action: Authorization of an amendment to an Economic Development Agreement and Loan Agreement; designation of an oversight department; providing of a deadline for the Economic Development Agreement

Bill Summary: This bill authorizes the mayor to execute an amended and restated Economic Development Agreement between the City and Madison Palms, Ltd. (assigned from the Vestcor Companies, Inc.), as well as an amendment to the loan agreement between the City and the Company to revise certain preconditions to funding the City development loan. It designates the Office of Economic Development as the oversight department and provides a deadline for the company to execute the agreement and amendment after it is delivered to the Company.

Background Information: The Vestcor Companies, Inc. ("Vestcor") and City entered into an Economic Development Agreement dated December 12, 2022, authorized by Ordinance 2022-784-E, to provide a Development Loan from the City in the amount of \$5,000,000, payable upon substantial completion of a 240-unit mixed income apartment development to be known as Madison Palms at the intersection of Merrill Road and Hartsfield Road, located within the boundaries of the Renew Arlington Community Redevelopment Area.

The amendment to the loan agreement is merely needed to update the detail with regard to the capital stack for the project and does not change the oversight or maximum indebtedness under the agreement.

Policy Impact Area: Affordable housing; Community Redevelopment Areas

Fiscal Impact: No fiscal impact; the bill does not increase the maximum indebtedness to the City under the agreement, as the Council approved the \$5,000,000 development loan payable upon substantial completion of the project via 2022-784-E.

Analyst: Webb