

STATE OF TEXAS

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEGUIN, TEXAS AWARDED A DOWNTOWN HISTORIC DISTRICT LOW INTEREST LOAN TO JASON HOWELL FOR CONSTRUCTING SECOND STORY APARTMENTS AT 101 SOUTH RIVER STREET; DIRECTING THE CITY MANAGER TO NEGOTIATE A FINAL COMMERCIAL LOAN AGREEMENT WITHIN THE TERMS OF THE CITY’S EXISTING PROGRAM POLICY; AND DECLARING AN EFFECTIVE DATE

WHEREAS, in 2014 the City Council established and funded a Downtown Historic District Low Interest Loan Program to spur economic revitalization and business growth and development in the Downtown Historic District; and

WHEREAS, Mr. Jason Howell has submitted the first application for a loan under the City’s program wherein he wants to create 5 one bedroom, 1 bath and one 2 bedroom, 1 bath apartments at 101 S. River Street; and

WHEREAS, the creation of living spaces in the downtown district is an important part of developing a vibrant downtown that will eventually result in revitalization of the area; and

WHEREAS, the cost to rehabilitate the building will be over \$318,000.00, for which Mr. Howell has requested a loan in the amount of \$150,000.00 to complete the second floor apartment buildout; and

WHEREAS, although the City would be a second lien holder, Mr. Howell is willing to allow multiple properties for security such that the debt to asset ratio is 53% which would increase along with the value of the project once completed; and

WHEREAS, in accordance with the City’s program, the City will receive interest on the loan at the rate of 2% per annum.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Seguin, Texas:

SECTION 1. The City Council hereby approves the award of a Downtown Historic District Low Interest Loan to Mr. Jason Howell in the amount of \$150,000.00.

SECTION 2. The City Manager is authorized to negotiate and execute the commercial loan document at the interest rate set and terms and conditions existing in the City’s Low Interest Downtown Historic District Loan Program.

SECTION 3. This resolution is effective on the date of its passing.

PASSED AND APPROVED this 21st day of June 2016.

DON KEIL
MAYOR

ATTEST:

Thalia Stautzenberger
City Secretary