

RESOLUTION NO. R-2004- 173

A RESOLUTION authorizing the City Manager to submit an application for \$3,560,000 from the Section 108 Loan Guarantee Program of the United States Department of Housing and Urban Development (HUD) for Yakima Hotel, LLC to construct a Hilton Garden Inn Hotel.

WHEREAS, the City of Yakima has been awarded a \$1 million Economic Development Initiative (EDI) grant from the U.S. Department of Housing and Urban Development (HUD); and

WHEREAS, the grant award from HUD was conditioned upon submittal of a \$4 million application to the HUD Section 108 Loan Guarantee Program; and

WHEREAS, HUD approved the use of EDI and Section 108 loan funds for the City of Yakima Economic Development Loan Fund in 2002; and

WHEREAS, the City has requested and was approved for an additional \$2,945,000 of Section 108 loan funds in 2004; and

WHEREAS, the City has worked with the National Development Council in developing underwriting guidelines for the program; and

WHEREAS, the City's Economic Development Loan Fund ("EDLF") meets the eligibility requirements of the Section 108 Loan Guarantee Program; and

WHEREAS, the City has provided \$3,310,000 in EDLF financing to three projects over the past two years; and

WHEREAS, portions of the City of Yakima have been designated a federal Renewal Community by HUD, providing numerous federal tax incentives and priority for federal funding; and

WHEREAS, under Section 108 of the Housing and Community Development Act of 1974, federal loans are available for the purposed of funding property rehabilitation for economic development activities that will create new and stable jobs for low and moderate-income residents; and

WHEREAS, Yakima Hotel, LLC and JEM Development, LLC, represented by Joseph R. Morrier, Sr., have requested a \$3,560,000 Section 108 loan to partially finance construction of a Hilton Garden Inn Hotel, and

WHEREAS, the National Development Council has determined that the borrower and the proposed project can fulfill the requirements of the City's Economic Development Loan Fund; and

WHEREAS, the project will leverage \$5,966,000 in private financing and equity contributions; and

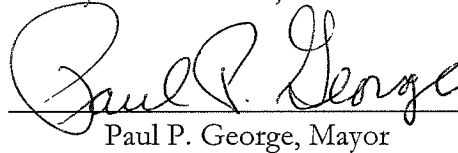
WHEREAS, the project will create 71 new jobs in Yakima's Renewal Community; and

WHEREAS, economic development is a priority for the City of Yakima, and the City intends to approach economic development on an inclusive, comprehensive basis which involves public, private and community-based efforts to achieve new investment and redevelopment in the City; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF YAKIMA:

The City Manager is hereby authorized and directed to submit an application for \$3,560,000 from the Section 108 Loan Guarantee Program of the United States Department of Housing and Urban Development (HUD) for Yakima Hotel, LLC to construct a Hilton Garden Inn hotel. The City Manager is hereby designated as the official representative of the City to act in connection with that funding application and is authorized to take such additional actions as may be necessary and prudent to complete the application process, including the execution of all related documents

ADOPTED BY THE CITY COUNCIL this 16th day of November, 2004



Paul P. George, Mayor

ATTEST:



City Clerk