

Introduced by _____ Council Bill No. R 151-07

A RESOLUTION

authorizing a co-application agreement with Covenant Community Development Corporation as it relates to redevelopment of property located at the intersection of Garth Avenue and Sexton Road.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF COLUMBIA, MISSOURI, AS FOLLOWS:

SECTION 1. The City Manager is hereby authorized to execute a co-application agreement with Covenant Community Development Corporation as it relates to redevelopment of property located at the intersection of Garth Avenue and Sexton Road. The form and content of the agreement shall be substantially as set forth in "Exhibit A" attached hereto and made a part hereof as fully as if set forth herein verbatim.

SECTION 2. The City Manager is hereby authorized to execute the appropriate paperwork and forms to properly apply to the U.S. Department of Commerce – Economic Development Administration for a development grant as co-applicant with Covenant Community Development Corporation.

SECTION 3. This resolution does not grant authority to lend the City's credit or to grant public money or anything of value to, or to subscribe for stock or any financial interest in, or on behalf of any corporation, development or project associated with the applied for grant or the Covenant Community Development Corporation project.

ADOPTED this _____ day of _____, 2007.

ATTEST:

City Clerk

Mayor and Presiding Officer

APPROVED AS TO FORM:

City Counselor

CO-APPLICATION AGREEMENT

This agreement is entered into on this _____ day of _____, 2007 by and between the City of Columbia, Missouri, a municipal corporation (hereinafter "City") and Covenant Community Development Corporation, a Missouri nonprofit corporation (hereinafter "Covenant").

WHEREAS, Covenant wishes to redevelop property at the corner of Garth Avenue and Sexton Road within the Columbia city limits for the benefit of low income City residents; and

WHEREAS, said redevelopment will require the assistance of federal grant monies and the cooperation of City; and

WHEREAS, City's role must, by legal requirements, be limited to management or liquidation of the project should Covenant not be able to continue with the project.

NOW, THEREFORE, in consideration of the mutual covenants set out herein, City and Covenant agree as follows:

1. In order that Covenant may apply for federal grant monies to assist in redevelopment of property at the corner of Garth Avenue and Sexton Road within the city limits for the benefit of low income City residents, City agrees to be a co-applicant with Covenant for a federal grant administered by the U.S. Department of Commerce, Economic Development Administration (EDA).
2. Covenant agrees to be the principal or lead party in applying for the grant, administering the grant and in applying the grant monies in a lawful manner to Covenant's development at Garth Avenue and Sexton Road. Further, Covenant shall be solely responsible for the operation and maintenance of the investment made with grant monies.
3. Should Covenant for any reason become unable to perform its duties under the grant, or goes out of business, City will become responsible for the administration and operation of EDA's financial assistance award (the grant). City shall in the proper administration of the grant have the right to seek another organization to run the grant investment, to seek another co-recipient to be the lead party, or to request termination of the investment and the sale of the buildings built with the investment in order to return to EDA its fair market share of the investment.
4. Covenant understands and agrees that City may not lawfully and will not lend its credit or grant public money or anything of value to, or subscribe for stock or any financial interest in, Covenant's redevelopment of the property at Garth Avenue and Sexton Road. Therefore, City will not pay off any debts with City money or invest any City monies in the development or any administration of the development.

IN WITNESS WHEREOF, the parties hereto have been duly authorized to execute this agreement as of the day and year first above written.

CITY OF COLUMBIA, MISSOURI

By: _____
H. William Watkins, City Manager

ATTEST:

Sheela Amin, City Clerk

APPROVED AS TO FORM:

Fred Boeckmann, City Counselor

COVENANT COMMUNITY DEVELOPMENT
CORPORATION

By: _____

ATTEST:

TO: City Council
FROM: City Manager and Staff 
DATE: 25 June 2007
RE: *Co-Application Agreement with Covenant Community Development Corporation for Garth Avenue and Sexton Road Development*

Source:
Bill Watkins
Paula Hertwig Hopkins 

EXECUTIVE SUMMARY:

Covenant Community Development Corporation (CCDC) has a mission of revitalizing the neighborhood surrounding Garth Avenue and Sexton Road. Based on a premise that providing opportunities for individuals and families is integral to self sufficiency, CCDC is proposing a \$3,576,204 redevelopment project at the above location. CCDC is requesting the City co-apply for an Economic Development Administration Construction Grant. Because CCDC has not been in existence very long and therefore, no history of administering grants, the Economic Development Administration is requiring a governmental body as co-applicant.

Fiscal Impact

YES
NO X

DISCUSSION:

Project includes construction of two multi-use buildings, renovation of two buildings, and acquisition of 8 lots; 6 lots west along Sexton Avenue from the intersection of Garth and Sexton and the Labor Temple and bar establishment properties.

Redevelopment consists of two major components: retail/office space and affordable housing. A total of 16,000 square feet of retail space will be offered at below-market rents to local businesses and entrepreneurs; one building consisting of a 10,700 square foot grocery store co-owned by CCDC and an on-site operator and a second two story building providing 5,300 square feet of retail/office space on the main level. Six three bedroom residential units would be located above the retail units.

Financing includes a \$499,386 Small Business Administration loan, \$800,000 loan from local banks, and EDA grant for \$1,463,400. Remaining funding sources includes Missouri NAP tax credits, other grants, material and labor donations. It is our understanding that this co-applicant status does not obligate the City financially.



Renovations of the buildings at 611 N. Garth (Labor Temple) and 609 N. Garth (former bar establishment) are included in the application per EDA request.

SUGGESTED COUNCIL ACTION:

Adopt Resolution and authorize City Manager to execute Co-Application with CCDC for EDA Grant Agreement.