

RESOLUTION 87 2014

DESIGNATING OUR CITY READING, INC. AS THE CITY'S REDEVELOPMENT PARTNER FOR CERTAIN PROPERTIES LOCATED ON PENN STREET AND AUTHORIZING THE MAYOR TO MAKE APPLICATIONS FOR CERTAIN FEDERAL GRANTS AND LOANS

WHEREAS the City Council of the City of Reading is desirous of furthering the redevelopment of the Penn Street Corridor between 4th and 5th Streets,

WHEREAS, with the approval of the U.S. Department of Housing and Urban Development the Ricktown BEDI and Section 108 boundaries can be extended to include this portion of Penn Street, as long as all other aspects of the successful Application remain the same, and

WHEREAS there is the further opportunity to apply for funds from the Economic Development Administration (EDA) of the U.S. Department of Commerce to carry out revitalization of this area of Penn Street, and

WHEREAS, Our City Reading, Inc. is an integral part of the Arts District Application and has a strong track record in developing, leasing and managing properties within the City of Reading, and

WHEREAS, the City of Reading currently owns several buildings on Penn Street which should receive priority to be redeveloped, which can be used to meet the requirements of matching funds from non 108, BEDI and EDA sources and additionally which are historic in nature and can generate further income for the project by the sale of historic tax credits, and

WHEREAS, both the City of Reading and Our City Reading, Inc. agree that they should act in partnership to secure the extension of the Ricktown boundaries to include Penn Street, to apply for funds from the Economic Development Administration, and to effectuate the sale of historic tax Credits,

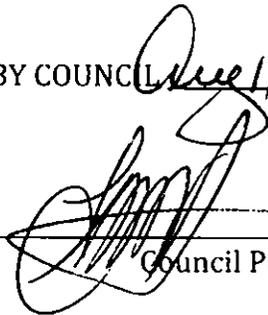
NOW, THEREFORE, BE IT RESOLVED:

1. That the Mayor of the City of Reading, be and hereby is, authorized to negotiate redevelopment agreements, subject to Council approval, with Our City Reading, Inc. for the revitalization of Penn Street between fourth and fifth Streets, which major provisions will provide for the following:
 - a. It is recognized that the funds that spent for acquisition of structures on Penn Street will be recognized as meeting the requirements of leveraged funds for both the BEDI and 108 Amendments for the Ricktown Project and the EDA Application for the revitalization of Penn Street.

- b. It is the intent of the City of Reading and Our City Reading, Inc. that the structures located between fourth and fifth streets shall be redeveloped entrepreneurs using Section 108, BEDI funds and EDA funds; such *redevelopment plans shall be subject to further Council approval.*
 - c. In order to sell the Historic Tax Credits, The City of Reading shall own the structures and lease the structures to a limited partnership for a term as recommended by Tax Counsel and as may be approved by City Council. It is envisioned that the limited partnership consists of Our City Reading, Inc. and the City of Reading as the General Partners. The Limited Partners shall be made up of those purchasing tax credits.
 - d. Our City of Reading, Inc., in accordance with a subsequent redevelopment agreement, shall be responsible for coordinating the construction and renovation of the structures to insure that such construction/renovation shall be carried out in a responsible and competitive manner, including but not limited to the best of its ability the avoidance of cost overruns, and that all HUD Regulations be complied with.
 - e. Our City Reading, Inc. shall be responsible for insuring that all the terms of the HUD Section 108 loan and the BEDI are complied with, as well as the EDA Grant.
 - f. The Limited Partnership shall also be responsible for the borrowing of private funds and public funds for the project, so that neither the City nor the Our City Reading, Inc. shall be responsible for re-payment of such loans.
 - g. Our City of Reading shall in coordination with the City of Reading be responsible for leasing the structures in a manner to insure that there is sufficient cash flow to cover operating expenses and debt service. It is understood that outside agents may be required and will be a cost of development
2. The Mayor be and hereby is authorized to file an Amended Application to the U.S. Department of Housing and Urban Development to extend the boundaries of the Ricktown Project for the BEDI and Section 108 Approved applications to include Penn Street from 4th to 5th Streets and to take all necessary actions to secure the Amendment and be empowered to sign all the necessary documents with the U.S. Department of Housing and Urban Development.
 3. The Mayor be and here is authorized to file an Application, in co-ordination with Our City Reading, Inc., with the Economic Development Administration of the U.S Department of Commerce in the amount of \$3,000,000 and the Mayor is further Authorized to sign all the necessary documents and carry

out all necessary actions required by the Economic Development Administration.

APPROVED BY COUNCIL June 11 2014



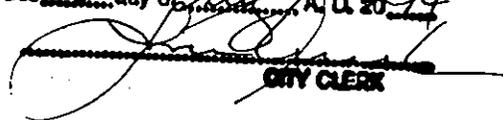
Council President

ATTEST:



City Clerk

I, **LUNDA A. KELLENER**, City Clerk of the City of Reading, Pa., do hereby certify, that the foregoing is a true and correct copy of the original Resolution passed by the Council of the City of Reading, on the 11 day of June A. D. 2014. Witness my hand and seal of the said City this 12 day of June, A. D. 2014.



CITY CLERK