

ORDINANCE NO 2020- _____

ORDINANCE AUTHORIZING THE MAYOR AND AUDITOR TO ENTER INTO AN AGREEMENT TO SUBORDINATE THE HARDING CENTER ED CDBG LOAN AND UDAG LOAN, TO DELAY PAYMENT **OF THE UDAG LOAN**, AND TO REQUIRE A PERSONAL GUARANTEE SIGNATURE BE ADDED TO BOTH LOANS, AND DECLARING AN EMERGENCY

WHEREAS, The City of Marion tirelessly with multiple partners, including, but not limited to, Marion County, the Ohio Housing Finance Agency, the Ohio Department of Development (now ODSA), Marion HAND, Marion-Crawford (now Ohio Heartland) Community Action Commission, and numerous investors to undertake the renovation of the long vacant Harding Hotel for housing and commercial space, and

WHEREAS, In 2013, with the building losing money, having vacant space, needing several hundred thousand dollars in repairs, and behind in loan payments, Marion City, Marion County, OHFA, and the Ohio Department of Development (ODSA) approved of the purchase by Lois Fisher and Associates, under the name STARFISH BUILDING, LLC, of the property with restructured financing, and

WHEREAS, The promised repairs and other repairs were made, local marketing filled vacant space, the first mortgage to the City \$600,000 and County \$300,000 were paid off, the second mortgage to the City RLF \$30,000 and County RLF \$70,000 were paid off, and payments had started to the UDAG RLF (3rd mortgage) and CDBG ED Loan (4th mortgage) with payments current, but now the building has sustained a major structural west wall problem causing a public safety issue and considerable financial drain on the property, and

WHEREAS, The 3rd (\$100,000) and 4th (\$400,000) mortgages are now the 1st mortgage with a balance of \$98,701.00 and 2nd mortgage with a balance of \$301,867.00, and

WHEREAS, after several Council Committee meetings and constructive problem- solving efforts, the owner Lois Fisher representing STARFISH BUILDING, LLC and Council find it advantages to subordinate the two remaining loans to a private construction repair loan, and defer payments **of the UDAG loan for 10 years** in return for the personal signature of Lois J. Fisher, then

BE IN ORDAINED by the City of Marion, Marion County, Ohio,

Section 1. The Mayor and Auditor are hereby authorized to enter into and agreement with STARFISH BUILDING LLC and Lois J. Fisher personally, to subordinate the UDAG 1st mortgage and ED CDBG loan 2nd mortgage to a commercial construction repair loan, to defer for up to ten (10) years the principal payments **of the UDAG loan**, requiring interest payments at two (2) percent on the UDAG loan, having no interest (0%) on the ED CDBG loan, and, in return,

requiring the UDAG and ED CDBG to become both a liability of STARFISH BUILDING, LLC, and Lois J. Fisher, personally.

Section 2. Due to the closing of Orchard Street hurting several businesses, the potential safety concerns of additional deterioration, and thus the need for timely construction financing and building repair, the above is hereby declared an emergency measure necessary for the welfare of the City of Marion and the inhabitants thereof and shall take effect and be enforced immediately upon its passage by two thirds vote of all members elected and by approval of the Mayor, otherwise it shall become effective from and after the earliest period allowed by law.

President

Passed: _____

Approved: _____

Mayor

Attest:

Clerk of Council