

ORDINANCE NO. 2009-4162

An ordinance of the City of Sanford, Florida amending the Ordinance Number 2009-4150 pertaining to a supplemental grant program in addition to the loan subsidy program to provide for economic development and other public benefits to the City and the citizens of the City; providing for amendment to Section 2 of Ordinance Number 2009-4150 relating to the creation of an economic development commercial loan subsidy program, program purposes, program responsibilities, program policies and program procedures; providing for implementing administrative actions; providing for conflicts; providing for a savings provision and the ratification of legislative findings and intent; providing for codification in the City Code of the City of Sanford; providing for severability; and providing for an effective date.

Be it enacted by the People of the City of Sanford, Florida:

Section 1. Section 2 of Ordinance Number 2009-4150 is hereby amended to read as follows:

Creation of economic development commercial loan subsidy program; purposes; responsibilities; policies; procedures; alternative grant program.

(a). The City Commission of the City of Sanford, in conjunction with the Community Redevelopment Agency of the Sanford Lake Monroe Waterfront and Downtown Sanford Community Redevelopment Area, hereby creates and establishes the City of Sanford Economic Development Commercial Loan Subsidy Program to be implemented by the Agency.

(b). The purpose of the Program is to encourage the renovation and productive use of buildings in the Sanford Lake Monroe Waterfront and Downtown Sanford Community Redevelopment Area which shall be within the City Limits of the City of Sanford. The Program will assist business owners to redevelop properties. The Program will provide a subsidy, under appropriate circumstances, to effectively reduce the interest rate on market loans for building renovations to one percent (1%) amortized for a twenty (20) year term based on the loan interest rate, as established in the application and as may approved in the application process set forth in this Ordinance, which shall be the loan interest rate at time of loan closing.

(c). Loan proceeds may only be used for the rehabilitation of properties with-in the Sanford Lake Monroe Waterfront and Downtown Sanford Community Redevelopment Area.

(d). Only real property that is assigned a commercial zoning classification consistent with the City's Comprehensive Plan and that will be used for a non-residential or mixed use purpose (as set forth in a binding development order) are eligible under the Program for subsidy assistance.

(e). Loan subsidies may be made only to the property owner and may only be used for renovations only and not for the purchase price of a parcel of real property.

(f). Normative loan underwriting criteria and documentation must be satisfied as part of the transaction to protect the City's interests, as well as the interests of the Community Redevelopment Agency of the Sanford Lake Monroe Waterfront and Downtown Sanford Community Redevelopment Area, under the authority and guidance of the Finance Director in conjunction with the City Attorney.

(g). Loans by the Community Redevelopment Agency of the Sanford Lake Monroe Waterfront and Downtown Sanford Community Redevelopment Area under the Program shall be secured by a declining balance property rehabilitation lien, in a form of legal instrument approved by the City Attorney, for a term of ten (10) years. Should the owner sell or transfer title to the real property during this term the prorated balance of the City's subsidy shall be paid to the City at the time of closing. Should the applicant maintain ownership for the full ten (10) year term, the loan provided by the Agency shall be fully amortized and shall be satisfied of record in a form acceptable to the City Attorney.

(h). The maximum total loan amount to be subsidized is three hundred thousand dollars (\$300,000.00). The subsidy rate is based on a projected twenty (20) year amortization.¹

¹ An example of the Program follows: A building owner needs to rehabilitate a structure located within the Sanford Lake Monroe Waterfront and Downtown Sanford Community Redevelopment Area at a cost of \$150,000. A market rate loan is currently available at 6.5% amortized for 20 years. A 1%, 20-year loan of \$150,000 will require a monthly loan payment of \$690.00. That payment will support a market rate loan at 6.5% of \$ 92,550. The City Community Redevelopment Agency of the Sanford Lake Monroe Waterfront and Downtown Sanford Community Redevelopment Area will provide a 0% deferred payment loan of \$ 57,450 into an escrow account. This loan will decline at the rate of 1/120th for each month over the 10-year period, as long as the borrower continues to own and maintain the property. At the end of 10 years the loan is forgiven and no payback is required by the borrower. Should the borrower sell or transfer title, in any manner or degree, to the property during the lien term the Agency would receive the remaining balance of the loan based upon the length of time the borrower has met the conditions for loan.

(i). Neither the City nor any of its agencies to include, but not limited to, the Community Redevelopment Agency of the Sanford Lake Monroe Waterfront and Downtown Sanford Community Redevelopment Area, shall in any way guarantee the underlying loan for the real property and the City does not pledge its full faith and credit to any extent by enacting or implementing this Ordinance and shall not be deemed to have done so to any degree or extent.

(j). The loan applicant must submit documentation to the Community Redevelopment Agency of the Sanford Lake Monroe Waterfront and Downtown Sanford Community Redevelopment Area detailing the renovation to be performed as well as details concerning the proposed loan. If approved by the Agency, the Agency will then issue a letter approving the subsidy subject to normal underwriting criteria as approved and established by the Finance Director in conjunction with the City Attorney.

(k). Once the loan is approved, the applicant must submit full details of the proposed transaction to the Community Redevelopment Agency of the Sanford Lake Monroe Waterfront and Downtown Sanford Community Redevelopment Area. The amount of the subsidy will be fixed and the funds will be released to coincide as nearly as possible to the effective date of the closing of the loan. Escrow accounts may be established in conjunction with the City Attorney as needed.

(l). The loan documents shall include, but not be limited to, documents to be filed of record which protect the lienhold interests of the Community Redevelopment Agency of the Sanford Lake Monroe Waterfront and Downtown Sanford Community Redevelopment Area and shall provide that the City Attorney must be notified should the real property which is the subject of the loan be sold, transferred, assigned or encumbered in any way and that all such actions are subject to approval by Community Redevelopment Agency of the Sanford Lake Monroe Waterfront and Downtown Sanford Community Redevelopment Area after seeking advise and counsel from the City Attorney.

(m). In the event that an owner of property which would be otherwise eligible for loan subsidy funding has engaged in or entered financing in a manner which the City determines is not conducive to a loan subsidy being granted by the City, the City may enter grant agreements with such property owners provided that the City is attaining substantially or more of the same economic and other benefits and has security that is substantially the same or greater than that the City would enjoy under a loan subsidy award. Such grants may be awarded under conditions that address the unique nature of the financial arrangement within which context the property is held while substantially addressing legal requirements, benefits to the City and protections afforded the City as set forth in this Ordinance.

(n). The following criteria will be used in evaluating applications for loan subsidies or for grants:

(1). Businesses that due to their success will attract other businesses to the Sanford Lake Monroe Waterfront and Downtown Sanford Community Redevelopment Area shall be encouraged to apply and participate.

(2). Renovation projects that will spur additional development and private investment shall be encouraged to apply and participate.

(3). Renovation projects that will attract desirable new businesses and create an effective merchandise mix shall be encouraged to apply and participate.

(4). Renovation projects that will have a substantial positive visual and aesthetic impact to Sanford Lake Monroe Waterfront and Downtown Sanford Community Redevelopment Area shall be encouraged to apply and participate.

(5). Renovation projects that will result in filling vacant retail space shall be encouraged to apply and participate.

(6). Renovation projects that will increase property value(s) shall be encouraged to apply and participate.

(7). Renovation projects that will increase employment opportunities with the Sanford Lake Monroe Waterfront and Downtown Sanford Community Redevelopment Area shall be encouraged to apply and participate.

(8). Renovation projects that work in favorable concert with other major developments by providing enhanced activities for the Sanford Lake Monroe Waterfront and Downtown Sanford Community Redevelopment Area shall be encouraged to apply and participate.

(o). Applications that are on file with the City on or after the effective date of this Ordinance shall be eligible for consideration for the award of loan subsidies and grants notwithstanding the fact that renovation work may have previously commenced.

Section 2. Implementing Administrative Actions.

The City Manager, or designee, is hereby authorized and directed to implement the provisions of this Ordinance and to take any and all necessary administrative actions to include, but not be limited to, the adoption of administrative rules.

Section 3. Conflicts.

All ordinances or part of ordinances in conflict with this Ordinance are hereby repealed.

Section 4. Savings; ratification of legislative findings and intent.

The prior actions of the City of Sanford in implementation of its economic development and related activities and the funding of rehabilitation efforts within the Sanford Lake Monroe Waterfront and Downtown Sanford Community Redevelopment Area are hereby ratified and affirmed. The legislative findings and intent adopted in Ordinance Number 2009-4150 are hereby ratified and affirmed.

Section 5. Severability.

If any section, sentence, phrase, word, or portion of this Ordinance is determined to be invalid, unlawful or unconstitutional, said determination shall not be held to invalidate or impair the validity, force or effect of any other section, sentence, phrase, word, or portion of this Ordinance not otherwise determined to be invalid, unlawful, or unconstitutional.

Section 6. Codification.

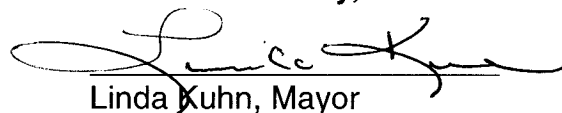
This Ordinance shall be codified in the City Code of the City of Sanford; provided, however, that Sections 4, 5, 6, 7 and 8 shall not be codified. The Code Codifier is granted broad and liberal authority to change section numbers in the current City Code and take other appropriate actions as set forth in Section 1-10 of the City Code. The footnoted example shall be codified.

Section 7. Effective Date.

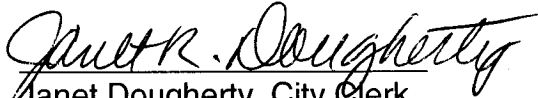
This Ordinance shall take effect immediately upon passage and adoption.

Passed and adopted this 23rd day of February, 2009.


**City Commission of the City of
Sanford, Florida
Seminole County, Florida**


Linda Kuhn, Mayor

Attest:

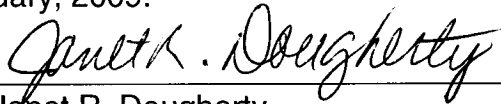

Janet Dougherty, City Clerk

Approved as to form and
legality:


William L. Colbert, Esquire
City Attorney

Certificate

I, Janet R. Dougherty, City Clerk of the City of Sanford, Florida, do hereby certify that a true and correct copy of the foregoing Ordinance No. 4162, Passed and Adopted by the City Commission of the City of Sanford, Florida, on the 23rd day of February, 2009, was posted at the front door of the City Hall in the City of Sanford, Florida, on the 25th day of February, 2009.


Janet R. Dougherty