

**CITY OF LA VISTA
MAYOR AND CITY COUNCIL REPORT
JULY 3, 2007 AGENDA**

Subject:	Type:	Submitted By:
ECONOMIC DEVELOPMENT PROGRAM — EXTEND PRINCIPAL REPAYMENT ON JOHN Q. HAMMONS CONSTRUCTION LOAN	RESOLUTION ◆ ORDINANCE RECEIVE/FILE	RITA RAMIREZ ASSISTANT CITY ADMINISTRATOR

SYNOPSIS

An ordinance has been prepared to grant an extension of the principal repayment on the City's Economic Development Program construction loan to John Q. Hammons for the Conference Center project in Southport West from seven (7) to ten (10) years, with quarterly interest payments until principal repayment.

FISCAL IMPACT

The extension of the term of the loan will require three (3) additional years of interest payments.

RECOMMENDATION

Approval.

BACKGROUND

On June 19, 2007 the Mayor and Council approved loan documents under the La Vista Economic Development Program for the Conference Center facility project of John Q. Hammons in Southport West. Since that time Mr. Hammons has requested that the term of the loan be extended from seven to ten years. All other terms of the loan remain the same.

ORDINANCE NO. _____

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL, LA VISTA, NEBRASKA TO EXTEND PRINCIPAL REPAYMENT OF CITY ECONOMIC DEVELOPMENT PROGRAM CONSTRUCTION LOAN FOR JOHN Q. HAMMONS FOR THE CONFERENCE CENTER IN SOUTHPORT WEST FROM 7 TO 10 YEARS, WITH QUARTERLY INTEREST PAYMENTS UNTIL PRINCIPAL REPAYMENT, TO MAKE CERTAIN FINDINGS, TO AUTHORIZE MODIFICATION OF DOCUMENTS FOR EXTENDED PRINCIPAL REPAYMENT PERIOD, TO AUTHORIZE FURTHER ACTIONS AND TO REPEAL CONFLICTING ORDINANCES PREVIOUSLY ENACTED AND PROVIDE FOR SEVERABILITY AND AN EFFECTIVE DATE.

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF LA VISTA, SARPY COUNTY, NEBRASKA:

SECTION 1. Findings of Mayor and City Council. The Mayor and City Council find and determine as follows:

1. Among other actions, Ordinance No. 1039 approved loan documents and all terms thereof for the loan under the La Vista Economic Development Program for the conference center facilities of the hotel and conference center development project of John Q. Hammons in Southport West, including loan disbursements, interest rate, interest and principal payment schedule, and all other matters and transactions described or provided therein in their entirety, subject to any modifications as the Program Administrator of the La Vista Economic Development Program determined necessary or appropriate in consultation with the City Attorney ("Loan Documents").
2. The Loan Documents provided for repayment of the entire principal of the loan in a single balloon payment no later than July 31, 2014, with quarterly interest payments to the City on the total amount of the loan proceeds from time to time disbursed until the loan principal is repaid in full, consistent with the Master Development Agreement for the hotel and conference center project dated May 1, 2007 and on file with the City Clerk.
3. John Q. Hammons has requested in negotiating the Loan Documents, among other changes, extending the time allowed for repayment of the principal of the loan under the Loan Documents to no later than July 31, 2017, with quarterly interest payments to the City on the total amount of the loan proceeds from time to time disbursed until the loan principal is repaid in full.
4. The Program Administrator advises that the requested extension for repayment of the loan principal is consistent with the parameters set forth in the original proposal Mr. Hammons provided the City on August 1, 2006, which proposed repayment of principal of the loan in 7 – 10 years.
5. In consideration of the foregoing and authority granted in Ordinance No. 1039, the Program Administrator, in consultation with the City Attorney, has caused the Loan Documents to be modified to provide for repayment of the principal of the loan no later than July 31, 2017, as requested, and asks the Mayor and City Council to ratify, affirm and approve this modification.

SECTION 2. Approve Extension of Loan Principal Repayment to July 31, 2017. The Mayor and City Council hereby ratify, affirm and approve extending repayment of the principal of the loan described in the Loan Documents from July 31, 2014 to July 31, 2017, which repayment shall be made in a single balloon payment, with quarterly interest payments to be made to the City on the total amount of the loan proceeds from time to time disbursed until the loan principal is repaid in full; provided, however, that John Q. Hammons (and related persons) shall continue to provide personal guarantees and other security of repayment of the loan during the entire repayment period until the loan is fully repaid in form and content satisfactory to the City Attorney.

SECTION 3. Authorize Modification of Documents and Further Actions. The Mayor and City Clerk are hereby authorized to execute the Loan Documents, as revised, and any necessary amendments to the Master Development Agreement or other documents or instruments to carry out the actions approved herein, subject to any further modifications as the Program Administrator determines necessary or appropriate in consultation with the City Attorney; and to take such further actions as determined necessary or appropriate.

SECTION 4. Repeal of Conflicting Ordinances. All ordinances and parts of ordinances as previously enacted that are in conflict with this ordinance or any part hereof are hereby repealed.

SECTION 5. Severability Clause. If any section, subsection, sentence, clause or phrase of this ordinance is, for any reason, held to be unconstitutional or invalid, such unconstitutionality or invalidity shall not affect the validity of the remaining portions of this ordinance. The Mayor and City Council of the City of La Vista hereby declare that they would have passed this ordinance and each section, subsection, sentence, clause or phrase hereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional or invalid.

SECTION 6. Effective Date. This ordinance shall be in full force and effect from and after passage, approval and publication as provided by law.

PASSED AND APPROVED THIS ____ DAY OF _____ 2007.

CITY OF LA VISTA

Douglas Kindig, Mayor

ATTEST:

Pamela A. Bueth, CMC
City Clerk