



Legislation Text

File #: 1567-2023, **Version:** 1

BACKGROUND

This legislation authorizes the Director of the Department of Development to modify loan documents for Harry L. Macklin, Jr. (dba Accurate Auto Center) that were used for the purpose of purchasing the real property located at 1710, 1714, 1726, and 1728 East Main Street, Columbus, Ohio 43205 which is located in the Main Street Neighborhood Commercial Revitalization corridor.

The owner, Harry L. Macklin, is in the process of selling the aforementioned properties on Main Street. The City's Business Development Loan, in the amount of \$100,000 was awarded in 1998 to Accurate Auto Center. The current principal balance and interest is a total of \$199,492.75 as of April 24, 2023. A modification is requested to forgive the interest totaling \$105,881.91 as of April 24, 2023. The current principal balance of \$93,610.84 will be paid by Accurate Auto Center upon the sale of the stated properties.

Accurate Auto Center was also awarded a Working Capital Loan used to meet short term payroll needs in the amount of \$30,000.00 in April, 1999. The current principal and interest is \$27,062.71 as of April 24, 2023. A modification is requested to forgive the interest amount of \$14,183.26 as of April 24, 2023. The current principal balance of \$12,879.45 will be paid upon sale of the stated property.

The Business Development Loan and Working Capital Loan were secured by mortgages recorded as Instrument Numbers 199804030079885 and 199804030079887, Recorder's Office, Franklin County, Ohio.

Due to ongoing losses, Accurate Auto Center filed a chapter 7 bankruptcy on July 30, 2012 and the bankruptcy was terminated on August 15, 2013. The chapter 7 bankruptcy, however, did not include the above referenced properties on Main Street.

The above referenced properties were used as security for the Business Development Loan and Working Capital Loan.

Emergency action is requested to allow Harry Macklin to proceed with the real estate closing of the stated properties, which is planned for May or June of 2023, and to allow reimbursement of the principal of the Business Development Loan and Working Capital Loan as well as forgive the interest on the Business Development Loan and the Working Capital Loan.

Fiscal Impact: This legislation does not have a fiscal impact.

Contract Compliance: The vendor number is 005630 and contract compliance is pending.

To authorize the Director of the Department of Development to modify the loan documents for Harry L. Macklin, Jr., dba Accurate Auto Center, for the purpose of forgiving the interest on the Building Development Loan and the Working Capital Loan, and to execute any and all documents necessary for the loan modifications; and to declare an emergency. (\$0.00)

WHEREAS, Harry Macklin (dba Accurate Auto Center) is in the process of selling real property located at 1710, 1714,

1726, 1728 East Main Street, Columbus, Ohio which is located in the Main Street Neighborhood Commercial Revitalization Area; and

WHEREAS, Accurate Auto Center, in 1998, was awarded a Business Development Loan, in the amount of \$100,000.00; and

WHEREAS, the properties located at 1710, 1714, 1726, and 1728 East Main Street, were used as security for the Business Development Loan and Working Capital Loan; and

WHEREAS, Harry Macklin, the owner, is in the process of selling the above referenced properties; and

WHEREAS, the current principal balance and interest owed is a total of \$199,492.75 as of April 24, 2023; and

WHEREAS, the current principal balance is \$93,610.84 and the interest is \$105,881.91 as of April 24, 2023; and

WHEREAS, a modification is requested to forgive the interest of \$105,881.91 as of April 24, 2023; and

WHEREAS, Accurate Auto Center, in April of 1999, was awarded a Working Capital Loan used to meet short term payroll needs in the amount of \$30,000.00; and

WHEREAS, the current principal balance and interest owed is a total of \$27,062.71 as of April 24, 2023; and

WHEREAS, the current principal balance is \$12,879.45 and the interest is \$14,183.26 as of April 24, 2023; and

WHEREAS, a modification is requested to forgive the interest of \$14,183.26 as of April 24, 2023; and

WHEREAS, the current principal balance of the Business Development Loan of \$93,610.84, and the current principal balance of the Working Capital Loan, of \$12, 879.45, will be paid upon the sale of the above referenced properties; and

WHEREAS, due to ongoing losses, Accurate Auto filed a chapter 7 bankruptcy on July 30, 2012 and the bankruptcy was terminated on August 15, 2013. The chapter 7 bankruptcy, however, did not include the above referenced properties on Main Street; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that it is immediately necessary to modify the loan documents for Harry Macklin, Jr (dba Accurate Auto Center) for the purpose of forgiving the interest of the Business Development Loan and the Working Capital Loans, needed in order to sell the Main Street properties in the next month, all for the immediate preservation of the public health, peace, property, safety and welfare; **NOW, THEREFORE,**

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1: That the Director of the Department of Development is authorized to modify the loan documents for Harry Macklin (dba Accurate Auto Center) for the purpose of forgiving the interest owed on the Business Development Loan and the Working Capital Loan, and to execute any and all documents necessary to modify the loans, including but not limited to releases and/or satisfaction of mortgage(s), in exchange for the payment of \$93,610.84 and \$12,879.45. The principal amounts of those loans will be paid and satisfied upon the sale of the properties located at 1710, 1714, 1726, and 1728 East Main Street.

SECTION 2: For the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.

