

**COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF MADISON, WISCONSIN**

Resolution No. 4251 \_\_\_\_\_

Authorize the CDA to refinance a loan from Johnson Bank that matures on December 30, 2017 in the amount of approximately \$795, 700 and to take such actions and sign such documents as are necessary to extend the Johnson Bank loan.

Presented December 14, 2017  
Referred \_\_\_\_\_  
Reported Back \_\_\_\_\_  
Adopted \_\_\_\_\_  
Placed on File \_\_\_\_\_  
Moved By \_\_\_\_\_  
Seconded By \_\_\_\_\_  
Yeas \_\_\_\_\_ Nays \_\_\_\_\_ Absent \_\_\_\_\_  
Rules Suspended \_\_\_\_\_

**RESOLUTION**

**WHEREAS**, the Community Development Authority of the City of Madison (“CDA”) borrowed \$1,255,091 from Fannie Mae under a revolving credit facility (“Line of Credit”) and loaned the money to Allied Drive Redevelopment, LLC to finance a portion of the construction of Revival Ridge; and

**WHEREAS**, in anticipation of the maturity of the Line of Credit on December 15, 2011, the CDA adopted Resolution No. 3056 on December 8, 2011 authorizing CDA borrowing of \$1,255,000 from Johnson Bank to repay the Line of Credit, evidenced by a 3-year note, 25-year amortization, at an interest rate of Four Percent (4.0%) per year (the Johnson Bank Loan); and

**WHEREAS**, said Johnson Bank note matured on December 30, 2014 and in December of 2014 the CDA authorized a three-year extension of the Johnson Bank Loan; and

**WHEREAS**, the Johnson Bank Loan has a balance as of December 6, 2017 of \$795,673,98; and

**WHEREAS**, Johnson Bank has offered favorable re-financing options of either 3- or 5-year notes, 25-year amortization and interest rates LIBOR plus 230 basis points, that as of October 15, 2017 would represent 4.24% and 4.38% respectively; and

**WHEREAS**, Johnson Bank will offer the extension of the Johnson Bank Loan without charging a fee or requiring an appraisal; and

**WHEREAS**, staff recommends renewal of the Johnson Bank Loan, evidenced by a five-year note, 25-year amortization and interest rate equal to five (5) year LIBOR + 230 basis points fixed at the time of closing (as of December 6, 2017 the rate would be 4.51%) as the more favorable option.

**NOW THEREFORE BE IT RESOLVED**, that the CDA does hereby authorize the Chair and the Secretary to execute a five-year extension of the Johnson Bank Loan.

**BE IT FURTHER RESOLVED**, that the CDA does hereby authorize the Chair and Secretary to take such actions and sign such documents as are necessary to close the Johnson Bank Loan extension under terms and conditions substantially the same as those set forth above, each action to be taken as may be acceptable to the Chair, together with the Secretary.