

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF MADISON, WISCONSIN

Resolution No. 4108

Authorize the CDA to refinance a loan from Johnson Bank that matures on December 30, 2014 in the amount of approximately \$875,000 and to take such actions and sign such documents as are necessary to extend the Johnson Bank loan.

Presented November 20, 2014
Referred _____
Reported Back _____
Adopted November 20, 2014
Placed on File _____
Moved By Daniel Guerra
Seconded By Kelly Thompson-Frater
Yeas 4 Nays 0 Absent 3
Rules Suspended _____

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 matures on December 30, 2014 and has a current balance as of November 1, 2014 of \$875,209; 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 225 basis points, that as of November 10, 2014 would represent 3.39% or 3.99% respectively; and

WHEREAS, Johnson Bank will offer the extension of the Johnson Bank Loan without charging a fee.

WHEREAS, staff recommends renewal of the Johnson Bank loan, evidenced by a three-year note, 25-year amortization and interest rate equal to three (3) year LIBOR + 225 basis points fixed at the time of closing as the more favorable option.

NOW THEREFORE BE IT RESOLVED that the CDA does hereby authorize the Chair and the Secretary to execute a three 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.