

COMMUNITY DEVELOPMENT AUTHORITY
OF THE CITY OF MADISON, WISCONSIN

Resolution No. 4522

Authorizing the CDA to refinance an Allied Drive Redevelopment loan from Johnson Bank that matures on December 30, 2022 in the amount of \$655,714

Presented November 10, 2022
Referred _____
Reported Back _____
Adopted _____
Placed on File _____
Moved By _____
Seconded By _____
Yeas _____ Nays _____ Absent _____
Rules Suspended _____
Legistar File Number 74560

RESOLUTION

WHEREAS, the Community Development Authority (CDA) borrowed \$795,700 for a term of 5 years with a 4.38% fixed interest rate from Johnson Bank as a refinance of a 2011 Fannie Mae line of credit to finance a portion of the Revival Ridge construction in 2017; and

WHEREAS, The maturity date of the Johnson Bank loan is on December 30th, 2022 with an outstanding amount of \$655,714; and

WHEREAS, Johnson Bank has offered favorable refinancing options of either a one-month Term SOFR +235 basis points, floating rate (6.09% as of 10/28/222 with no prepayment penalty or Two-year Term SOFR + 235 basis points, fixed at closing (6.82% as of 10/28/22) with a 2% pre-payment penalty the first year, a 1% pre-payment penalty the second year or no pre-payment penalty if refinanced with Johnson Bank; and

WHEREAS, Johnson Bank's proposal is competitive with the current market and honoring of the previously agreed upon terms and conditions for \$1,000 processing fee without requiring an appraisal; and

WHEREAS, staff recommend refinance of the Johnson Bank Loan, evidenced by a one-month term, 18-year amortization and floating interest SOFR +235 basis points, floating rate (6.09% as of 10/28/222 with no prepayment penalty.

NOW, THEREFORE, BE IT RESOLVED, the CDA hereby authorizes the Chair and the Secretary to take such actions and sign such documents as are necessary to close the Johnson Bank loan refinance under the 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.