



Legislation Text

File #: 01543, **Version:** 1

Fiscal Note

The extension of this loan will result in a full repayment of principal and interest on February 1, 2006

Title

Approving the extension of a loan to Common Wealth Development, Inc., and authorizing the Mayor and City Clerk to execute an amendment to the loan agreement.

Body

WHEREAS, the City of Madison (the City) entered into a Madison Capital Revolving Fund Loan and Regulatory Agreement dated August 13, 1997 (the Loan Agreement) with Common Wealth Development, Inc. (Common Wealth) for the purpose of assisting in the acquisition of a commercial building located at 931 East Main Street; and
WHEREAS, the original principal amount of the loan of \$125,000, together with interest at the rate of 5%, is payable in full on August 13, 2005; and

WHEREAS, Common Wealth is current in its installment payments under the Loan; and

WHEREAS, Common Wealth requested that the Loan be extended for six months to allow it time to refinance its first mortgage; and

WHEREAS, Common Wealth has agreed to continue making monthly installment payments of both principal and interest and to make a final balloon payment to the City on or before February 1, 2006.

NOW, THEREFORE, BE IT RESOLVED:

1. Approval of Loan Extension. The Common Council does hereby approve of the extension of the Loan for an additional six months, with continuing monthly installments of principal together with interest at the rate of 5.00% and a balloon payment due February 1, 2006.
2. Loan Agreement. The Mayor and City Clerk are hereby authorized to execute an amended Loan Agreement with Common Wealth Development, Inc., in a form as shall be approved by the City Attorney consistent with this Resolution.
3. General Authorizations. The Mayor and City Clerk are hereby authorized to execute, deliver, publish, file and record such other documents, instruments, notices and records and to take such other actions as shall be necessary or desirable to accomplish the purposes of this Resolution and to comply with and perform the obligations of the City hereunder.