



## Legislation Details (With Text)

**File #:** 13-0275      **Version:** 1      **Name:** TMBF Initial Resolution  
**Type:** Resolution      **Status:** Consent Agenda  
**File created:** 8/21/2013      **In control:** City Council  
**On agenda:**      **Final action:** 4/28/2014  
**Title:** Approval of Initial Resolution for a “not to exceed” \$4,000,000 loan for downtown project  
**Sponsors:** City Clerk  
**Indexes:** Not applicable  
**Code sections:**  
**Attachments:** 1. TML Bond Fund - Initial Resolution, 2. Draft Loan Agreement

Date	Ver.	Action By	Action	Result
9/10/2013	1	City Council	tabled	

Approval of Initial Resolution for a “not to exceed” \$4,000,000 loan for downtown project

### SUMMARY:

Council approved borrowing the local match funds through TMBF at the July 25<sup>th</sup> meeting. Attached is the Initial Resolution to incur indebtedness in an amount not to exceed \$4,000,000 through the Tennessee Municipal Bond Fund for the improvements in the downtown revitalization project, execution of a loan agreement, and to fund the incidental and necessary expenses.

Under Tennessee law, the only way to issue new money with General Obligation backing is to do a competitive public sale or a loan through a public building authority unless you are issuing a capital outlay note for under \$2,000,000 and for a term of 12 years or less. The Bond Fund uses the Public Building Authority of the City of Clarksville as the issuer of the debt. The PBA will issue a revenue bond which will be sold to a bank with the proceeds being loaned to the City of Crossville pursuant to a loan agreement.

As noted in the resolution, a copy of the resolution will be placed in the newspaper along with a notice. The loan can close 20 days following publication if no qualified petition is filed.

**BUDGET ACCOUNT:** Not applicable

**NECESSARY COUNCIL ACTION:** Approve Initial Resolution.