



Legislation Text

File #: 13-0275, **Version:** 1

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 25th 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.