



**URBAN RENEWAL**  
**RESOLUTION**  
**(4 - 2019)**

**A RESOLUTION OF THE FAIRVIEW URBAN RENEWAL BOARD AUTHORIZING  
SIGNATURE OF A MEMORANDUM OF UNDERSTANDING WITH THE CITY OF  
FAIRVIEW FOR A \$650,000 BRIDGE LOAN**

**WHEREAS**, the Fairview City Council held a public hearing and adopted Ordinance 5-2018 on June 6, 2018, creating the Fairview Urban Renewal Agency; and

**WHEREAS**, the Fairview City Council held a public hearing and adopted Ordinance 8-2018 on November 7, 2018, adopting the Fairview Urban Renewal Plan; and

**WHEREAS**, the Fairview Urban Renewal Agency desires to start implementation of the Urban Renewal Plan as soon and expediently; and

**WHEREAS**, the Urban Renewal Agency is in need of financial resources pursue its plan; and

**WHEREAS**, the City of Fairview has available funds that it can loan the Urban Renewal Agency.

**NOW, THEREFORE, BE IT RESOLVED BY THE FAIRVIEW URBAN RENEWAL AGENCY BOARD AS FOLLOWS:**

**Section 1**      The Agency Board authorizes the board chair to sign the proposed MOU with the City of Fairview, attached as exhibit A to this resolution.

**Section 2**      This resolution is and shall be effective from the day of its passage.

Resolution adopted by the Fairview Urban Renewal Agency Board, this 6th day of March, 2019.

ATTEST

Chair, Fairview Urban Renewal Board  
Brian Cooper

City Recorder, City of Fairview  
Devree Leymaster

3-7-2019  
Date

**Memorandum of Understanding**

This Memorandum of Understanding (“MOU”) represents an agreement between the City of Fairview (“City”), and the Fairview Urban Renewal Agency (“Agency”), (collectively, the “Parties”) regarding a bridge loan from the City to the Agency in the amount of \$650,000.

**Recitals:**

1. March 6, 2019 the City and Agency signed an Intergovernmental Agreement (IGA).
2. Section 1(c) of the IGA allows for the City to provide financial assistance to the Agency in the form of an interest bearing loan.
3. The Agency desires to borrow \$650,000 from the City to fund its activities until other resources are available to the Agency.
4. The City is willing and legally able to loan the requested funds from its General Fund Contingency-Excess Reserves line item.

**The Parties agree as follows:**

**Section 1: Loan**

The City will loan the Agency the sum of \$650,000 on March 6, 2019, for a term not to exceed five years.

**Section 2: Interest Rate**

- a. The Agency agrees to pay interest on any outstanding principal from March 6, 2019 to June 30, 2019 at the equivalent of an annual interest rate of 4.25%. Said interest shall be paid to the City on June 30, 2019.

The annual interest rate on any outstanding principal after June 30, 2019 will be set on July 1 of each year for that fiscal year. The interest rate will equal the Local Government Investment Pool (base rate) +1.5%. The base rate will be calculated as an average of the prior 12 months, or the rate for the preceding month, whichever is higher. The interest incurred for fiscal each year will be due and payable on June 30. Any loan from the City to the Agency is further governed by section 1(c) of the IGA between the parties dated March 6, 2019.

**Section 3: Principal Payments**

The Agency may make payments of any amount of the principal owing at any time as long as the entire loan is repaid by March 6, 2024.

IN WITNESS WHEREOF, the Parties hereto have entered into this MOU as of the 6th day of March 2019.

CITY OF FAIRVIEW

FAIRVIEW URBAN RENEWAL AGENCY

By: \_\_\_\_\_  
Nolan K Young, City Administrator

By: \_\_\_\_\_  
Brian Cooper, Board Chair