

**CITY OF CORDOVA, ALASKA
RESOLUTION 04-24-19**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF CORDOVA, ALASKA,
APPROVING A LINE OF CREDIT AGREEMENT BETWEEN KEY BANK, LLC AND THE
CITY AND AUTHORIZING THE CITY MANAGER TO EXECUTE THAT AGREEMENT**

WHEREAS, City Council adopted Ordinance No. 1216 accepting and appropriating \$20 Million awarded to the City of Cordova, Alaska (“City”) through the “Rebuilding American Infrastructure with Sustainability and Equity” (“RAISE”) Grant for completion of the South Harbor Rebuild Project and authorized the borrowing of not to exceed \$3,000,000 to finance South Harbor Rebuild Project costs; and

WHEREAS, the Line of Credit agreement proposed by Key Bank, hereafter referred to as the Agreement and attached to this Resolution as Attachment A, provides the City a revolving line of credit with Key Bank for up to \$3 Million to be paid in full within one year from the date of execution; and

WHEREAS, the interest rate on the Agreement is a floating rate per annum equal to the Daily Simple Secured Overnight Financing Rate plus 2.75% with a floor of 1.00%; and

WHEREAS, the Daily SOFR Rate as of April 10, 2024 was 5.31%; and

WHEREAS, the City is still awaiting RAISE grant funds awarded to the City from which it intends to pay for services and goods incurred in the South Harbor Rebuild Project; and

WHEREAS, time is of the essence to pay for goods and services provided to the City for the South Harbor Rebuild Project,

NOW THEREFORE BE IT RESOLVED that:

Section 1. The City Council approves the essential terms of the Agreement as provided in Attachment A to this resolution and authorizes the City Manager to enter into that Agreement on behalf of the City.

Section 2. The City Manager is further authorized to negotiate and execute any documents arising from or required to give effect to the Agreement and may revise or amend non-essential terms of the Agreement or related documents before executing such documents so long as the terms of the Agreement comply with this resolution.

Section 3. The City shall use the funds advanced pursuant to the Agreement solely for the purpose of meeting the appropriation from grant funds as provided in City of Cordova Ordinance No. 1216.

Section 4. The City shall not incur indebtedness that would cause the sum of (a) the Credit Line Obligations plus (b) any other outstanding indebtedness incurred by the City to meet its appropriations to exceed the lesser of (i) one percent of the then assessed value of all real and personal property in the City and (ii) \$3,000,000.

Section 5. The Credit Line Obligations shall be due and payable in full no more than 365 days after the effective date of the loan agreement.

Section 6. In no event shall interest on the Credit Line Obligations exceed ten percent (10%) per annum.

Section 7. The City shall request all Advances, and shall incur all Credit Line Obligations, strictly in conformity and compliance with City Ordinance 1216, this resolution, the Charter of the City of Cordova, Alaska, and any other applicable law.

PASSED AND APPROVED THIS 17th DAY OF APRIL 2024.



David Allison, Mayor

ATTEST:

Susan Bourgeois, CMC, City Clerk