

CITY OF ALACHUA

RESOLUTION NO. R-01-31

A RESOLUTION OF THE CITY OF ALACHUA, FLORIDA; DEFINING, AND AUTHORIZING THE USE OF REVENUE STREAMS TO BE PLEDGED AS SECURITY FOR THE SECTION 108 LOAN GUARANTEE.

WHEREAS, the City is experiencing a need for physical improvements to benefit low-to moderate income persons;

NOW, THEREFORE, BE IT RESOLVED BY THE PEOPLE OF THE CITY OF ALACHUA, FLORIDA.

Section 1. The City of Alachua has the authority to pledge three revenue streams defined in Section 2 as security for the City's Section 108 Loan Guarantee in the amount of \$2,250,000.00.

Section 2.

- ◇ A perfected second lien on the City's sales tax revenue. The Section 108 Loan Guarantee will be subordinated to the City's 1995 Sales Tax Revenue Note. The City has one prior claim on the income stream; however, the sales tax has averaged \$258,438 (median of \$256,614) over the last five years and is expected to increase at least at the rate of inflation (assumed at 2%) over the 20-year term of the Section 108 loan. The City received \$301,719 sales tax revenue in Fiscal Year 1999 (See historical spread and 20-year forecast of sales tax revenues.) The existing note that the sales tax supports has an outstanding balance as of May 31, 2001 of \$275,000, originated in June of 1995 (15 year term) and has principal and interest payments of \$3,345 per month. The existing rate is 6.43%.
- ◇ A perfected first lien on the City's franchise fees. The fees have been averaged \$70,234 over the past five years (median of \$78,958). In Fiscal Year 1999, the City received franchise fees of \$121,468.

- ◇ A perfected first lien on the minimum payment the City receives from state revenue sharing. The minimum payment is based on the original allocation of \$49,600 that the City received in the year of the program's inception (1972).

Section 2. EFFECTIVE DATE

This resolution shall take effect immediately upon passage and approval.


RESOLVED this 18th day of **June 2001**.

**CITY COMMISSION OF THE
CITY OF ALACHUA, FLORIDA**



Gib Coerper
Mayor/Commissioner

ATTEST:



Traci Cain
City Manager/City Clerk