TO: Prospective Proposers
FROM: Michelle K. Russell-Maynard, Finance Director
DATE: November 16, 2020
RE: RFP #21-RFP-02 – Tax Exempt Bank Loan Refinance

ADDENDUM NOTICE #2

This addendum is being issued to answer some additional questions that have been presented following the posting of Addendum #1 dated November 9, 2020.

QUESTION #1 Will the repayment of the loan come from the CRA Fund or a different fund?
The loan payments are funded through the Community Redevelopment Agency (CRA) fund. The current loan payments are budgeted 100% through the CRA fund as per the FY2020-2021 adopted budget.

QUESTION #2 What is the rate of the current loan the City is looking to refinance?
When the loan termed in September 2019, the fixed rate was 4.2%; the rate recently was adjusted to 3.95%.

QUESTION #3 What is the payment amount currently?
The current fixed quarterly payment amount is $93,202.87 for a total of $372,811.48 paid annually.

QUESTION #4 What is the current payment interval?
The payments are currently paid quarterly.

QUESTION #5 The amortization schedule provided in Addendum Notice #1 reflects a maturity of 10/1/2035. The original RFP references a final maturity of 2/15/2031. Can you clarify which is the correct maturity date?
The first three (3) years the preference would be payments on the $3.2 million (existing loan payoff) and then the final loan amount would be for twelve (12) years. The original desire was for ten (10) years versus the twelve (12), but in review of an item for addendum #1, it was adjusted to twelve (12) years. The total loan term would ultimately cover fifteen (15) years. The final decision will be based on the proposed rate and payment.