



City of Racine

City Hall
730 Washington Ave.
Racine, WI 53403
www.cityofracine.org

Legislative Report

File Number: Res. 0247-20

Agenda Date: 05/05/2020

File Type: Resolution

\$2,400,000.00 Loan from the Board of Commissioners of Public Lands (BCPL)

Resolved, that the request for a \$2,400,000.00 Loan from the Board of Commissioners of Public Lands (BCPL), which shall represent a General Obligation Debt to the City of Racine, which proceeds shall, in turn, be lent to Cardinal Capital Management (Ajax Project), for a term of 24 months; with Interest-only for the duration of the term; no pre-payment penalty; and, an interest rate to the City of 2.50% per annum is approved. Cardinal will, in turn, be obligated to repay the City at an interest rate equal to 3.00% per annum with a second-position lien on the project subordinate only to the first mortgage, and a full corporate guarantee from Cardinal Capital.

Fiscal Note: The City will incur a 24-month Debt obligation for \$2,400,000.00, which Cardinal Capital will agree to fully repay. The City will pay \$5,000.00 per-month in interest on this obligation, while, in turn, Cardinal will repay the City at \$6,000.00 per-month, resulting in the City achieving positive revenue of \$1,000.00 per-month. There are no fees involved in applying for and receiving the BCPL Loan.