

COUNCIL COMMUNICATION

Resolution Authorizing Financial Procedure for Andersen Water Park Project

Manager's Recommendation: Approval of the resolution as follows:

Council _____ offered and moved adoption of the following resolution:

WHEREAS, the City of Saginaw has begun development of the Andersen Water Park Repurposing Project, an Enterprise fund, in order to provide improved recreational facilities in the Central Parks area; and

WHEREAS, the City of Saginaw has received donations, pledges and grants in excess of 1.4 million dollars to initiate and complete this project; and

WHEREAS, many of these funds will be received in future years or in the form of reimbursements after the project is completed; and

WHEREAS, the development and construction schedule requires expenditures at a faster pace so that the project may be completed in a timely manner; and

WHEREAS, the enterprise fund may obtain from a commercial source a capital improvement loan to secure timely funding, but would pay a commercial rate of interest on this loan; and

WHEREAS, the General Fund pooled cash account is sufficiently large that it routinely deposits its funds in accounts that are currently yielding a nominal return, and could instead loan these excess funds to the Andersen Water Park Repurposing Project at a rate greater than that it receives now, but at or lower than a rate which would be paid by that fund from a commercial lender.

NOW, THEREFORE, BE IT RESOLVED, that the City of Saginaw authorizes the use of General Fund pooled cash resources in an amount not to exceed 1.1 million dollars to loan to the Andersen Water Park Repurposing Project; and

BE IT FURTHER RESOLVED, that the interest paid by the Andersen Water Park Repurposing Project be at or below market rate and that the payments be made pursuant to a formal repayment schedule not to exceed three years in length.