

1. Agenda

Documents:

[BOMC-9-14-22-WS-AGENDA.PDF](#)

2. Meeting Called To Order/Adoption Of Agenda

3. Bond Anticipation Note (BAN) Maturity Extension

Documents:

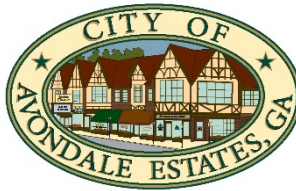
[PNC TERM SHEET_AVONDALE ESTATES RENEWAL_VF 9.9.2022.PDF](#)

4. A Discussion Of Back-Door Sanitation Service

5. Public Comment

6. Executive Session – Real Estate

7. Adjournment



**BOARD OF MAYOR AND COMMISSIONERS
WORK SESSION
SEPTEMBER 14TH, 2022
IMMEDIATELY FOLLOWING REGULAR MEETING**

AGENDA

- Item #1 Meeting Called to Order
- Item #2 Adoption of Agenda
- Item #3 **Bond Anticipation Note (BAN) Maturity Extension**
Doug Gebhardt of Davenport will be on hand to present the BOMC with an option to extend the BAN maturity date an additional year.
- Item #4 **A Discussion of Back-Door Sanitation Service**
Public Works Director Marcel Jackson will lead a discussion regarding back-door sanitation service and its impact on our staff and department efficiency.
- Item #5 Public Comment
- Item #6 **Executive Session – Real Estate**
- Item #7 Adjournment

PNC BANK, NATIONAL ASSOCIATION
Preliminary Summary of Terms and Conditions
Series 2019 Renewal
City of Avondale Estates, GA
September 9, 2022

This Term Sheet is not a commitment or an offer to lend and does not create any obligation on the part of the Bank or any affiliate thereof to extend any commitment to the Borrower unless and until a formal commitment letter is issued and has been executed, delivered and accepted.

This outline is only a brief description of the principal terms of the suggested loan facilities and is intended for discussion purposes only. This Term Sheet is delivered to you on the understanding that any of the terms of substance hereunder shall not be disclosed, directly or indirectly, to any other person except your officers, agents and advisors who are directly involved in the consideration of this matter unless required to do so by applicable law or prior written consent has been given by the Bank.

ISSUER: Urban Redevelopment Agency of Avondale Estates (the “*Issuer*” or “*Agency*”).

OBLIGOR: City of Avondale Estates, Georgia (the “*Obligor*” or “*City*”).

BANK: PNC Bank, National Association (the “*Bank*”).

CREDIT FACILITY: Up to \$8,400,000 Tax-Exempt Non-revolving Drawdown Bond Anticipation Note, Series 2019 (“*Credit Facility*”).

MAXIMUM AMOUNT AVAILABLE FOR FUTURE DRAWS AS OF 9/9/2022: \$1,198,364.31.

PURPOSE: Proceeds of the Credit Facility will be used to provide funding on an “as needed” basis for certain general City and storm water capital projects.

SECURITY: The 2019 Financing is secured by an Intergovernmental Agreement between the URA and the City. The City’s obligations under the contract are absolute and unconditional, are secured by a pledge of the City’s full faith and credit and taxing powers and will not expire so long as the 2019 Financing remains outstanding. It is expected that the 2019 Financing will be refinanced with the take-out bonds, which will be validated in connection with the 2019 Financing.

MATURITY DATE: December 31, 2023.

AMORTIZATION: All principal due at maturity.

INTEREST RATE: The City has the option to renew the facility in a variable rate mode with a Secured Overnight Financing Index (SOFR) as provided below.

FACILITY TYPE	TAX EXEMPT INTEREST RATE	INTEREST PAYMENT
Variable Draw* Down Note	79% SOFR + 55bps (0.55%)	Monthly

*As of 9/9/2022, the maximum amount available for future draws on the facility is \$1,198,364.31.

INDEX FLOOR: In the event that SOFR or any successor index utilized for determining the interest rate on the Bonds at any time would be determined to be less than 0.00%, such rate shall be deemed to be 0.00% or purposes of determining the interest rate on the Credit Facility.

DEFAULT RATE:	The Default Rate equals the greatest of (i) the PNC Prime Rate plus 3.0%; (ii) the Overnight Bank Funding Rate plus 3.5%; and (iii) 7.0%.
DRAW DOWN:	Two draws per month.
MINIMUM DRAW AMOUNT:	\$100,000.
UNUTILIZED FEE:	Waived.
CLOSING FEE:	Waived.
PREPAYMENT:	Upon at least thirty (30) business days prior written notice to the holder, the Obligor has the right to prepay all of the outstanding principal and interest hereunder. Notwithstanding anything contained herein to the contrary, upon any prepayment by or on behalf of the Obligor (whether voluntary, on default or otherwise), the Registered Owner may require, if it so elects, the Obligor to pay the Registered Owner as compensation for the costs of being prepaid an amount equal to the Cost of Prepayment. "Cost of Prepayment" means an amount equal to the present value, if positive, of the product of (a) the difference between (i) the yield, on the beginning date of the applicable interest period, of a U.S. Treasury obligation with a maturity similar to the applicable interest period, minus (ii) the yield on the prepayment date, of a U.S. Treasury obligation with a maturity similar to the remaining maturity of the applicable interest period, and (b) the principal amount to be prepaid, and (c) the number of years, including fractional years, from the prepayment date to the end of the applicable interest period. The yield on any U.S. Treasury obligation shall be determined by reference to Federal Reserve Statistical Release H.15 (519) "Selected Interest Rates." For purposes of making present value calculations, the yield to maturity of a similar maturity U.S. Treasury obligation on the prepayment date shall be deemed the discount rate. The Costs of Prepayment shall also apply to any payments made after acceleration of the maturity of the Credit Facility.
EVENT OF TAXABILITY:	In the event a determination of taxability shall occur, in addition to the amounts required to be paid with respect to the Bonds, the Obligor shall be obligated to pay to the Purchaser an amount equal to the positive difference, if any, between the amount of interest that would have been paid during the period of taxability if the Bonds had borne interest at a taxable rate and the interest actually received by the Purchaser with respect to the Bonds.
FINANCING DOCUMENTATION:	Renewal documents in form and substance satisfactory to the Bank must be executed and delivered containing representations, warranties, covenants, indemnities, conditions to lending, events of default and other provisions as are appropriate in the Bank's opinion and specified by the Bank.
TAX STATUS OF INTEREST ON BONDS:	Interest on the Bonds shall be excludable from gross income for federal income and state income tax purposes. The Borrower shall take all steps necessary to maintain such tax-exempt status. The Bank shall be provided an opinion of tax counsel satisfactory to the Bank which concludes that interest on the Bonds is excludable from gross income for federal income tax purposes.
CLOSING DATE:	The initial closing date is expected to occur on or about October 31, 2022 (the " <i>Closing Date</i> ").
COSTS AND EXPENSES:	The Borrower shall be responsible for the Bank's legal counsel fees. The bank will be utilizing Allison Dyer (Allison.Dyer@hklaw.com) of Holland & Knight. Legal fees are estimated not to exceed \$7,500. Bank Counsel will bill the Borrower directly.

**FINANCIAL AND REPORTING
COVENANTS:**

The bank agreement shall include customary covenants for a transaction of this nature, including, without limitation, the following reporting covenants:

- Within 210 days of its fiscal year end, audited financial statements
- Such other information as the Bank shall reasonably request.

**CONDITIONS
PRECEDENT TO CLOSING:**

Including, but not limited to, the following:

- Satisfactory completion of due diligence regarding the Borrower and any Security;
- Execution of all documentation as may be requested by the Bank relating to the Credit Facility in form and substance satisfactory to the Bank and its counsel;
- Payment of all applicable fees and expenses by the Borrower;
- Receipt of an opinion of counsel to the Borrower and any bond counsel, in form and substance satisfactory to the Bank and including without limitation, due authorization, enforceability, compliance with all applicable laws, and the tax-exempt status of the Credit Facility;

Receipt and satisfactory review by the Bank of all applicable resolutions and evidence of authority. Receipt and satisfactory review by the Bank of all applicable resolutions and evidence of authority.

The Bonds shall not be rated by any rating agency, shall not be initially registered to participate in DTC, shall not be assigned a CUSIP number and shall not be marketed to the Purchaser pursuant to any official statement, offering memorandum or any other disclosure documentation.

**EVENTS OF
DEFAULT/REMEDIES:**

Customary for transactions of similar nature.

GOVERNING LAW:

Georgia.

USA PATRIOT ACT NOTICE:

Pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. 107 56), the Bank is required to obtain, verify and record information that identifies the Borrower and, potentially, other loan parties, which information may include, without limitation, the name and address of the Borrower and any such loan parties and other information that will allow the Bank to identify the Borrower and other loan parties in accordance with the USA PATRIOT Act.

OTHER:

Submission to binding arbitration.

TRANSFERS/ASSIGNMENTS:

While the Bank is purchasing the Bonds for its own account without a present intent to transfer them, the Bank reserves the right in its sole discretion to assign, sell, pledge or participate interests in the Bonds without the consent of the Borrower.

ADDITIONAL TERMS:

The terms and conditions contained in this proposal are not intended to be comprehensive. The definitive Financing Documents may include additional terms and conditions required by the Bank, subject to mutual agreement of the parties, which are not included herein.

**NO ADVISORY OR
FIDUCIARY ROLE:**

The Borrower acknowledges and agrees that: (i) the Bank has not assumed any advisory or fiduciary responsibility to the Borrower with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of

whether the Bank or any of its affiliates has provided other services or is currently providing other services to the Borrower on other matters); (ii) the only obligations the Bank has to the Borrower with respect to the transaction contemplated hereby are expressly set forth in this term sheet; and (iii) the Borrower has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

AGREEMENT BY THE ISSUER / OBLIGOR:

The Borrower hereby desires to engage the Bank in the origination of the Bonds pursuant to the terms and conditions stated herein.

Recognizing that this Term Sheet is non-binding on the Bank unless and until a commitment is issued, please evidence your interest in proceeding on the foregoing terms and conditions by signing and returning a copy of the document to the Bank on or prior to **September 30, 2022**, at which point the Bank will continue with due diligence and credit underwriting for the foregoing transaction.

ACCEPTED AND AGREED TO:

URBAN REDEVELOPMENT AGENCY OF AVONDALE ESTATES

By: _____

Print Name: _____

Title: _____

Date: _____