

1. Agenda

Documents:

[URA-9-28-22-AGENDA.PDF](#)

2. Meeting Called To Order/Adoption Of Agenda

3. A Resolution By The City Of Avondale Estates To Approve The Term Sheet Dated September 9, 2022 Submitted By PNC Bank, NA In Connection With The Renewal Of The 2019 Bond Anticipation Note

Documents:

[RESOLUTION TO APPROVE PNC BANK TERM SHEET FOR BAN EXTENSION 9.23.22.PDF](#)  
[PNC TERM SHEET\\_AVONDALE ESTATES RENEWAL\\_VF 9.26.2022.PDF](#)

4. Public Comment

5. Adjournment



**URBAN REDEVELOPMENT AGENCY (URA)  
MEETING  
SEPTEMBER 28<sup>TH</sup>, 2022  
IMMEDIATELY FOLLOWING BOMC REGULAR MEETING**

**AGENDA**

- Item No. 1            Meeting Called to Order
- Item No. 2            Adoption of Agenda
- Item No. 3            **A Resolution by the City of Avondale Estates to Approve the  
Term Sheet Dated September 9, 2022 Submitted by PNC Bank,  
NA in Connection with the Renewal of the 2019 Bond  
Anticipation Note**
- Item No. 4            Public Comment
- Item No. 5            Adjournment

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION BY THE CITY OF AVONDALE ESTATES TO APPROVE THE TERM SHEET DATED SEPTEMBER 9, 2022 SUBMITTED BY PNC BANK, NA IN CONNECTION WITH THE RENEWAL OF THE 2019 BOND ANTICIPATION NOTE.**

**WHEREAS**, the City of Avondale Estates, through its Urban Redevelopment Agency, borrowed funds from PNC Bank in 2019; and

**WHEREAS**, such loan was scheduled to mature and become due December 31, 2022; and

**WHEREAS**, the Board of Mayor and Commissioners has determined that it would be in the best financial interests of the City to extend this loan for an additional year rather than issuing bonds to obtain the funds to pay of said loan at this time; and

**WHEREAS**, PNC Bank, NA has preliminarily offered to extend the loan for one year upon the terms and conditions expressed in the Term Sheet attached hereto as Exhibit "A."

**NOW, THEREFORE, BE IT RESOLVED BY THE** Board of Mayor and Commissioners of the City of Avondale Estates that the City of Avondale Estates hereby approves and agrees to the terms expressed by the attached Term Sheet.

**BE IT FURTHER RESOLVED** that it is anticipated that further official action by both the Board of Mayor and Commissioners of the City of Avondale Estates and the Urban Redevelopment Agency of the City of Avondale Estates will be required to consummate this transaction.

**SO RESOLVED**, this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**BOARD OF MAYOR AND COMMISSIONERS  
CITY OF AVONDALE ESTATES, GEORGIA**

\_\_\_\_\_  
JONATHAN ELMORE, Mayor

**ATTEST:**

\_\_\_\_\_  
Gina Hill

City Clerk

**PNC BANK, NATIONAL ASSOCIATION**  
**Preliminary Summary of Terms and Conditions**  
**Series 2019 Renewal**  
**City of Avondale Estates, GA**  
**September 26, 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*”).

***Upon closing, the maximum amount available is limited to the undrawn balance. The maximum total outstanding shall not exceed \$8,400,000.***

**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          |

***Upon closing, the maximum amount available is limited to the undrawn balance. The maximum total outstanding shall not exceed \$8,400,000.***

**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:** No prepayment penalty shall be assessed so long as any principal prepayment takes place on an interest rate reset date. If prepayments are made on a date that is not an interest rate reset date, customary breakage costs will be applied.

**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 "*Closing Date*").

**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](mailto: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:

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**CITY OF AVONDALE ESTATES, GA**



- 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: \_\_\_\_\_