



Legislation Text

File #: 18-0019, **Version:** 1

A Resolution Approving the Renewal of the \$1,000,000 Loan Agreement and Promissory Note Between the Great Outdoors Colorado Trust Fund (GOCO) and the City of Colorado Springs

Presenter:

Karen Palus, Parks, Recreation and Cultural Services Director
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Summary:

The attached resolution authorizes the City to renew the loan agreement and promissory note executed between the Great Outdoors Colorado Trust Fund (GOCO) and the City. The loan agreement and promissory note were executed for the purpose of completing the acquisition of the Red Rock Canyon Open Space. The loan will convert to a grant when the Certificates of Participation funding the purchase are redeemed.

Previous Council Action:

On September 13, 2005, Resolution No. 154-05 was approved by the City Council to accept a \$1,000,000 loan from GOCO which included this loan agreement and the requirement for annual renewal. The promissory note is Exhibit I of the loan agreement and evidences the City's obligation under the loan agreement.

Background:

GOCO loaned the City the \$1,000,000 for the purchase of the Red Rock Canyon Open Space. The terms and conditions of the loan are set forth in a loan agreement approved by the City Council. The loan is evidenced by a promissory note attached to the loan agreement at Exhibit I (attached). If all conditions of the loan agreement are met, then the loan will automatically convert to a grant when the Certificates of Participation related to the acquisition of the Red Rock Canyon Open Space are redeemed. As a condition of the loan agreement, the loan agreement and promissory note must be renewed annually until the date of the Certificates of Participation are redeemed. If this condition is not met, then the loan is payable in full.

Each year, a new resolution will be provided to City Council for approval renewing the loan agreement and promissory note. Renewing the loan agreement and promissory note simultaneously at the beginning of the year simplifies the annual renewal process.

This item supports the City's strategic goal relating to investing in infrastructure by ensuring the Red Rock Canyon Open Space remains a natural recreation area for both residents and visitors alike.

Financial Implications:

If the loan agreement and promissory note are not renewed, the City may be required to pay the

\$1,000,000 loan in full.

Board/Commission Recommendation:

N/A

Stakeholder Process:

N/A

Alternatives:

City Council may choose not to renew the loan agreement and promissory note; in which case, the City may be required to repay the entire \$1,000,000 loan amount to GOCO.

Proposed Motion:

Move approval of the attached resolution renewing the loan agreement and promissory note between GOCO and the City.

N/A