



Legislation Details (With Text)

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Title: 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

Sponsors:

Indexes:

Code sections:

Attachments: 1. RRC Loan Resolution, 2. Exhibit 1 - RRC Loan Promissory Note, 3. Signed Resolution_20-15

Date	Ver.	Action By	Action	Result
3/10/2015	1	City Council	adopted	Pass
2/24/2015	1	Council Work Session	referred	

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

From:

Karen Palus, Director of Parks, Recreation and Cultural Services
Chris Lieber, Parks Development Manager

Summary:

City Council annually authorizes a resolution approving the renewal of the \$1,000,000 loan agreement and promissory note between the City and Great Outdoors Colorado. 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 in 2018.

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 1 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 1 (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 simplifies the annual renewal process.

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 which may result in the City being required to repay the entire \$1,000,000 loan in full to GOCO.

Proposed Motion:

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

N/A