

RESOLUTION NO. 2017-17

A RESOLUTION OF THE CITY OF COATESVILLE, CHESTER COUNTY, PENNSYLVANIA AUTHORIZING THE DEFERRAL OF PAYMENT OF ACCRUED INTEREST ON PROMISSORY NOTE BETWEEN THE REDEVELOPMENT AUTHORITY OF THE CITY OF COATESVILLE AND THE CITY OF COATESVILLE THROUGH THE DATE OF DECEMBER 31, 2016 IN THE AMOUNT OF \$279,966.24 (WITH DEFERRED ACCRUED INTEREST TOTTALLING \$1,962,234.72)

WHEREAS, The City of Coatesville, a Third Class City and Home Rule Municipality located in Chester County, Pennsylvania (hereinafter the "City") has a promissory note with the Redevelopment Authority of the City of Coatesville (hereinafter the "RDA") reflecting a loan between the City and the RDA, which promissory note accrues interest at a rate of 4%; and,

WHEREAS, the RDA has requested that the City defer payment of interest on the outstanding balance as it has in the past, specifically requesting that the City defer the payment of the annual accrued interest through the end of 2016 in the amount of \$279,966.24 - resulting in a new total of deferred accrued interest as of December 31, 2016 in the amount of \$1,962,234.72 - as referenced in the calculation sheet attached hereto as Exhibit "A"; and,

WHEREAS, The City desires to honor the RDA's request.

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Coatesville, and it is hereby ordained by the authority of the same, that the City defers accrued interest payment by the Redevelopment Authority of the City of Coatesville up through December 31, 2016 in the amount of \$279,966.24 (for a total deferred accrued interest through that date of \$1,962,234.72).

IN WITNESS WHEREOF, the Council of the City of Coatesville has adopted and enacted this Resolution this 14th day of August, 2017.



C. Arvilla Hunt, Council President

ATTEST:



Michael T. Trio, City Manager

Redevelopment Authority of the City of Coatesville
 Accrued Interest Payable and Interest Expense
 December 31, 2016

Balance 12/31/2008		
Interest paid at Loan Payoff (12/15/2009-12/22/2009)	567.76	Payoff of Guaranteed Urbar
Accrued Interest Promissory Note	<u>6,903.28</u>	$\$6,999,156 * 4\% = \$279,966.24$
Balance 12/31/2009	7,471.04	
Add:		
2010-Accrued Interest	279,966.24	$\$6,999,156 * 4\% = \$279,966.24$
Payment	<u>(5,000.00)</u>	Paid 01/25/2010 Check #28
Balance 12/31/2010	282,437.28	
Add:		
2011 Accrued Interest	<u>279,966.24</u>	$\$6,999,156 * 4\% = \$279,966.24$
Balance 12/31/2011	562,403.52	
2012 Accrued Interest	<u>279,966.24</u>	$\$6,999,156 * 4\% = \$279,966.24$
Balance 12/31/2012	842,369.76	
2013 Accrued Interest	<u>279,966.24</u>	$\$6,999,156 * 4\% = \$279,966.24$
Balance 12/31/2013	1,122,336.00	
2014 Accrued Interest	<u>279,966.24</u>	$\$6,999,156 * 4\% = \$279,966.24$
Balance 12/31/2014	1,402,302.24	
2015 Accrued Interest	<u>279,966.24</u>	$\$6,999,156 * 4\% = \$279,966.24$
Balance 12/31/2015	<u>1,682,268.48</u>	
2016 Accrued Interest	<u>279,966.24</u>	$\$6,999,156 * 4\% = \$279,966.24$
Balance 12/31/2016	<u>1,962,234.72</u>	

Notes:

Per inquiry with management the intention of the City and the Authority is to accrue interest annually on outstanding principal balance only.

