

Council Letter

City of Danville, Virginia



CL - 865

NEW BUSINESS P.

City Council REGULAR MEETING

Meeting Date: October 5, 2023

Subject: Consideration of Authorizing and Approving the Execution of a Support Agreement By and Between the City of Danville, Virginia and the Virginia Small Business Financing Authority.

From: Corrie Bobe, Director of Economic Development and Tourism

COUNCIL ACTION

A Resolution of the Council of the City of Danville, Virginia Approving and Authorizing a Support Agreement.

SUMMARY

Staff is recommending the approval of a Support Agreement between the City of Danville, Virginia and the Virginia Small Business Financing Authority for the refinancing and consolidation of two existing loans with the Danville Industrial Development Authority.

BACKGROUND

The Industrial Development Authority of Danville, Virginia has two existing loans with Virginia Community Capital (VCC) and the Virginia Small Business Financing Authority (VSBFA) related to the purchase and up-fit of 500 Cane Creek Parkway with a combined outstanding balance of \$1,360,504. VSBFA has proposed to consolidate both loans into one through this refinancing process. The new loan will total the remaining balance of the two existing loans and will have a fixed interest rate of 5.5% with a maturity date being ten years from the date of the note. The loan will also be secured by a first deed of trust on the property.

RECOMMENDATION

Staff recommends approval of the Support Agreement with the Virginia Small Business Financing Authority.

Attachments

1. Resolution
 2. Moral Obligation
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