

Council Letter City of Danville, Virginia



CL - 685

NEW BUSINESS I.

City Council REGULAR MEETING

Meeting Date: August 1, 2023

Subject: Consideration of a Moral Obligation from the City of Danville, Virginia to American National Bank.

From: Kelvin Perry, Assistant Director of Economic Development and Tourism

COUNCIL ACTION

A Resolution Authorizing and Approving the Execution of a Moral Obligation Agreement By and Between the City of Danville, Virginia and American National Bank, a Virginia Banking Corporation.

SUMMARY

Staff is requesting approval to execute a Moral Obligation for the renewal of an existing loan between the Danville Industrial Development Authority and American National Bank.

BACKGROUND

The Danville Industrial Development Authority has a current outstanding loan with American National Bank in the amount of \$982,432.00. The loan is currently secured on property located at 1000 Lockett Drive, Danville, Virginia and cross collateralized with the property located at 527 Bridge Street, Danville, Virginia. The loan is scheduled to mature in August and the bank has agreed to renew the loan for five years with a fixed interest rate of 7.25%, with monthly payments of principal and interest based on the renewed balance, with the remaining amortization period of ten (10) years. The bank is requesting the City of Danville, Virginia renew the Moral Obligation associated with this loan.

RECOMMENDATION

Staff recommends approval of a Resolution to renew the Moral Obligation as requested by the bank.

Attachments

1. Resolution
 2. Term Sheet - Danville IDA Renewal 1000 Lockett Drive
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