
AGENDA ITEM SUMMARY

**Subject: Resolution 66-21 Extension of \$1.2M Note to Charles City
Fiber**



Background Summary:

The City has extended interim financing to the Charles City Telecom to cover expenses associated with start up of the telecom and fiber to the premise network. The initial amount outlaid was \$1M and was later expanded to \$1.2M. That note was due to mature in March 2021. That date was selected as it was anticipated to be well past the time where financing was to be obtained which would have repaid this amount to the city. As you know the telecom project has yet to get financed and while that process continues we need to look at extending the due date for the note.

As this is a work in progress with no defined date for financing yet in place, the Telecom Board of Trustees has requested that we extend the due date on this note to March 1, 2022.

RESOLUTION NO. 66-21

RESOLUTION APPROVING EXTENSION OF MATURITY DATE OF REVENUE LOAN
WITH CHARLES CITY TELECOMMUNICATIONS UTILITY

WHEREAS, the Charles City Telecommunications Utility entered into a Telecommunications Revenue Loan Agreement to borrow money thereunder from the City of Charles City on or around September 8, 2020; and

WHEREAS, the Board of Trustees of the Charles City Telecommunications Utility and the City Council of the City of Charles City have determined that it is in the best interest of the parties to extend the maturity date of the Loan Agreement to March 1, 2022.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Charles as follows:

1. The City of Charles City hereby approves extension of the Revenue Loan Agreement with the Charles City Telecommunications Utility until March 1, 2022, and the Mayor is hereby authorized to execute such documents deemed necessary to complete the above-described extension on behalf of the City.
2. That all resolutions or parts of resolutions in conflict herewith be and the same are hereby repealed in the extent of such conflict.

Council Member _____ moved adoption of the foregoing Resolution; Council Member _____ seconded the motion to adopt. On roll call, the voting was as follows:

Ayes: _____

Nays: _____

Passed and approved this 17th day of May, 2021.

Dean Andrews, Mayor

Attest:

Trudy O'Donnell, City Clerk