



**Agenda Item:** Discuss and Consider Approval of Coastal Zone Management Facility Loan Term Renewal

**Background:** Loan #0012 held by Moody National Bank (MNB) will be maturing on February 22, 2023. This loan is secured by the Coastal Zone Management Facility located at 2902 Church Street. The current balance on the loan is \$316,973.59 with the February payments due on the 22<sup>nd</sup> of February. Once those payments are made the balance at renewal will be approximately \$312,638.42.

The original loan was on a 20-year amortization schedule with an original maturity of 15 years, and a renewal requirement for the final 5 years. The loan was originated on February 28, 2008, so there five years remaining on the amortization schedule. Based on the current rate (7.75%), the monthly payment will increase by \$334.26 above the current monthly payment of \$5,967.58. MNB has indicated they will work with the Park Board to keep the payment as close to the current payment as possible.

There will be some cost involved in renewing the loan. The renewal will require attorney prepared documents (\$750 - \$1,500 cost estimate), a title search (\$216.50) and a UCC search (\$33-\$34). The attorney fees are an estimate from MNB.

**Staff Recommendation:** Staff recommends approval to renew the CZM loan #0012 held by MNB for an additional 5-years, maturing on February 22, 2028.

**Funding Source:** BC-70-5204 – Professional Fees (attorney and other processing fees), BC-70-5156 – Interest Expense, and BC-70-5251 – Financed Capital Principal Payments.