

Agenda Item Number 12.A.

Schaefers Building Refinance

Presenter: Bob Swank

Action Recommended: None, Information Only

Background:

The LCOG Board of Directors authorized the refinancing the Schaefers Building last September. After a lengthy process, the refinancing is almost complete. The loan with Umpqua Bank has closed and the County has authorized the County Administrator to sign all the required documents. The major remaining task is the actual payoff of the revenue bond that had provided the financing for the building. The payoff process takes about 45 days and should be completed by March 30.

Upon completion, LCOG will have increased its discretionary resources to provide the agency needed flexibility to provide matching funds for grants and contracts. The loan receipts will also pay for tenant improvements and increase LCOG's cash reserves to an appropriate level.

LCOG purchased the Schaefers Building in 1991 for about \$1.7 million. The appraisal that was done for this refinancing put the current value at \$4.1 million. The loan is for \$3 million with an interest rate of about 5.125 percent.