

Agenda Item Number 11.C.

Park Place Building Improvement Financing

Presenter: Bob Swank

Action Recommended: Authorize Borrowing for the LCOG Office Improvements in the Park Place Building

Background:

LCOG purchased the Park Place Building in January, 2008 with the intent to locate the Government Services and Administrative Services divisions that are currently leasing space in the Wells Fargo Building in the new building. Construction of the new office space began in July, 2008 and is expected to be completed by November 1, 2008, at which time LCOG will move to the new offices. The projected cost for the improvements is about \$1.8 million. LCOG needs to finance the improvements by borrowing about \$1.5 million.

There are several options to obtain financing, including a bank loan, a loan from the City of Eugene, an LCOG intrafund loan, or a combination of any of these. Banks are currently much more conservative in their lending due to the banking crisis created by the problems in the economy and the mortgage market.

The purpose of this topic is to obtain LCOG Board approval to borrow up to \$1.5 million to finance the improvements for the new LCOG offices.

Action:

The Executive Committee discussed this topic on September 11 and recommends it to the Board for approval.