

Special City of Norwalk Finance & Claims Committee Meeting

Tuesday February 12, 2019
Common Council Chambers
Norwalk City Hall
125 East Avenue
Norwalk, CT
6:00 PM – 6:30 PM

AGENDA

- I. Call to order
- II. Review special appropriation request for Oak Hills Authority
- III. Adjournment

CANCELLED

**SECTION A
OTHER BUSINESS**

**City of Norwalk Board of Estimate and Taxation
February 11, 2019**

2. Special Appropriations Agenda

1. RESOLUTION: approving a special capital appropriation to Oak Hills Park Authority for the purchase of the restaurant equipment and refurbishment of the restaurant building in the amount of approximately \$83,000

2. RESOLUTION: Approving the city to restructure all City loans to Oak Hills Park Authority's ("OHPA"). Restructure terms: 0.00% interest rate, retroactive to fiscal year 2017; monthly payments commencing July 1, 2020; monthly loan payments equal to \$2.00 multiplied by the aggregate number of all 9 and 18 rounds of golf purchased per month in the first fiscal year, increasing by \$0.05 every fiscal year thereafter, plus an annual payment of 1% audited gross golf revenue. OHPA shall not be obligated to borrow on its line of credit to make the 1% audited gross golf revenue payment.

CITY OF NORWALK – OAK HILLS PARK AUTHORITY
PROPOSED LOAN RESTRUCTURING AND LEASE TERMS

LOAN DOCUMENTS

1 - The City will make a one time special appropriation for the purchase of the restaurant equipment and refurbishment of the restaurant building in the amount of approximately \$83,000. This represents amounts actually spent from the OHPA line of credit to secure the building and equipment in March 2018, as well as all repairs and refurbishment made from March through May 2018. This does not include the \$8k reimbursed to OHPA by the State of Connecticut with the remainder of Grant funds.

2 - The City will restructure the current debt to 0% interest, retroactive to FY 2017, on all OHPA loans (the current consolidated debt payment and the two smaller operating and capital loans) .

3 - Oak Hills will pay the City a per revenue round fee, commencing July 2020, starting at \$2.00 for FY 2020 and increasing \$.05 each fiscal year thereafter until the total debt is repaid. Payments will be made monthly, based on the previous month's rounds.

4 - As long as there is any debt to the City outstanding, OHPA will pay the City an additional 1% of audited gross golf revenue each year promptly upon completion of the annual audit, to the extent there are funds available to do so. OHPA will not be required to borrow against its line of credit to make such payment.

5 - All of the foregoing payments from OHPA will be applied to the outstanding principal balance.

RESTAURANT LEASE

1 - Extend the lease for 30 years (from 2019 forward).

2 - Default under the Loan Documents is a Default under the Lease.

3 - Delete restriction on restaurant bar.

4 - Starting in FY 2020, 50% net rental payment from food services vendor to be set aside in a fund for capital improvements to the restaurant building, subject to a reasonable cap on such fund.

5 - Selection process used for retaining a food services vendor shall be subject to Common Council approval.

6 - The terms of the lease agreement offered to any food services vendor shall be subject to Common Council approval.