

VI. A) Interim Financing Proposal – Note # 4

Enclosed please find an updated proposal from BRB of the next extension of our interim financing for the bridge project. This proposal will be labeled Note #4 in the series, and will be structured slightly different from the others; most notably as a revolving line of credit.

The rate is very reasonable, even though this is a taxable note. Tax-exempt notes require a bond counsel which can cost the Town between \$6,000 and \$10,000 – far more than the savings we would realize in a slight reduction in the interest rate.

Note #3 expires Decembers 16, 2017. BRB has assured me that we can implement the new note with no lapse of financing for the bridge project that is gearing up.

BRB has been our financing partner throughout the project, and have always been very accommodating to our needs. We fully intend to recognize them as our finance partner for this important infrastructure project in Luray.

Interim financing has allowed us to complete crucial work in the initial phases without impacting our reserves. Now that the project is advancing more rapidly towards construction, the potential impacts will be larger, and the need for this interim financing more important than ever.

Our attorney, Mr. Botkins, has prepared an Ordinance Resolution that is based upon the Promissory Note from BRB.

Staff recommends approval of the proposal/note/resolution, and asks for authorization by the Mayor and staff to execute the necessary documents.