

TROTWOOD, OHIO 45426

3035 OLIVE ROAD

CITY OF TROTWOOD

RESOLUTION NO. R23-05

A RESOLUTION BY THE TROTWOOD CITY COUNCIL AUTHORIZING THE TROTWOOD COMMUNITY IMPROVEMENT CORPORATION TO ENTER INTO AN AGREEMENT WITH DAYAIR CREDIT UNION TO FINANCE THE STRADER DRIVE REDEVELOPMENT/CONSTRUCTION PROJECT IN AN AMOUNT NOT TO EXCEED TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00), EXCLUDING INTEREST, WHICH FINANCING SHALL FUND THE REHABILITATION OF THE PROPERTY.

WHEREAS, the Trotwood City Council is committed to promote housing and economic development within its corporate limits; and

WHEREAS, the City has authorized and established the Trotwood Community Improvement Corporation (“TCIC”) under Ohio Revised Code Chapter 1724; and

WHEREAS, the City desires the TCIC to perform the duties as set forth in Ohio Revised Code Section 1724.10, the Code of Regulations for Members, and in the Articles of Incorporation for the TCIC; and

WHEREAS, the City has need of the services and duties to be performed by the TCIC; and

WHEREAS, the TCIC acquired tax delinquent property situated on Strader Drive, Parcel No. H33 00316 0010, on or about January 27, 2020; and

WHEREAS, the Strader Drive property, which used to house two local businesses, is now dilapidated and in need of repair; and

WHEREAS, the TCIC intends to repair and redevelop the Strader Drive property so it can be utilized as rental property by local businesses for the betterment of the Trotwood community; and

WHEREAS, the City has limited the TCIC’s ability to borrow money unless approved by City Council.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TROTWOOD, STATE OF OHIO:

SECTION I:

City Council hereby finds that it is in the best interest of the citizens of Trotwood that the Strader Drive property, Parcel No. H33 00316 0010, be redeveloped by the TCIC so it can be utilized as affordable rental property for local businesses servicing the community.

SECTION II:

The TCIC is hereby authorized to enter into an agreement with DayAir Credit Union, upon review and approval of the agreement by the City Law Director, in an amount not to exceed Two Hundred and Fifty Thousand Dollars (\$250,000.00), excluding interest, to finance the Strader Drive redevelopment/construction project, according to the terms described in the November 18, 2022 pre-qualification notification attached hereto and incorporated herein as Exhibit A and the resulting loan agreement.

SECTION III:

All loans obtained by the TCIC shall be non-recourse loans to the City and shall be secured by collateral owned by the TCIC and sufficient to satisfy the lender.

SECTION IV:


This Resolution shall take effect and be in force from and after the date of its passage.

Passed this 3rd day of January, 2023.

ATTEST:


KARA B. LANDIS
CLERK OF COUNCIL

APPROVED:


MARY A. MCDONALD
MAYOR


YVETTE F. PAGE
VICE-MAYOR

CERTIFICATE OF RECORDING OFFICER

I, the undersigned, hereby certify that the foregoing is a true and correct copy of Resolution No. R23-05 adopted by the Trotwood City Council at a regular scheduled meeting held on the 3rd day of January, 2023, and that I am duly authorized to execute this certificate.

Signed this _____ day of _____, _____.

KARA B. LANDIS
CLERK OF COUNCIL



November 18, 2022

Mr. Chad Downing, Executive Director
Trotwood Community Improvement Corporation
3035 Olive Road
Trotwood, OH 45426

Re: Construction Rehab Loan

Dear Mr. Downing:

We are pleased to inform you that your application for a conventional loan has been pre-qualified by Day Air Credit Union based on the following preliminary terms:

Max Loan Amount:	Up to 70% loan-to-value of “subject-to” appraisal
Borrower:	Trotwood Community Improvement Corporation
Guarantor(s):	Non-recourse Loan
Estimated Uses:	Rehabilitation of the commercial property located at 1 Strader Drive, Trotwood, OH 45426
Interest Rate:	Draw Period: Variable: Wall Street Journal U.S. Prime Rate plus 2.00% <ul style="list-style-type: none">• Initial Rate: 9.00% Permanent: 5 Year U.S. Treasury plus 3.00% for 5-years, and a rate adjustment to the current 5 Year U.S. Treasury plus 3.00% at the end of year 5. <ul style="list-style-type: none">• Interest Rate will be locked for 45 days following the issue date of this proposal.
Loan Term:	Draw Period: 12 months Permanent: 10-years
Amortization:	Draw Period: Interest only on outstanding balance, due monthly Permanent: 20 years





- Loan Origination Fee: 1% of loan amount
- Early Exit Fee: 3% in year 1, 2% in year 2, 1% in year 3 of permanent financing.
- Conditions: “Subject-to” and “As-is” appraisal reflecting sufficient value
Full title report on the property held as collateral
Maximum of 70% loan-to-value
Submission of annual financial statements
- Construction Provisions:
1. Lender will require title updates and site inspections as a condition of the loan disbursement. Lender will engage a title company, in Lender’s sole discretion, to provide title updates and confirm no adverse conditions or liens exist that negatively affect Lender’s first priority position on the Real Property. Borrowers will be solely responsible for the fees associated with such title updates and site inspections.
 2. All requests for disbursement of the loan shall be in writing and shall utilize industry standard documents. Requests for soft costs payments must be accompanied by invoices and supporting documentation. All Documentation will be reviewed by Lender.
 3. Borrower will provide Lender with documentation evidencing all building permits and governmental approvals necessary for the improvement on the Real Property, which will be in the form and substance acceptable to Lender in its sole discretion.
 4. Prior to the final disbursement of the loan, Borrower will submit the Certificate of Occupancy to Lender in form and substance acceptable to Lender in its sole discretion.
 5. Borrower will provide to Lender a final lien waiver, signed and notarized, from the General Contractor and any sub-contractors after the final disbursement and completion of the project.
- Collateral/Security:
- First lien on land and improvements located at 1 Strader Drive, Trotwood, OH 45426



RATE & FEE NOTIFICATION:

The interest rate and any corresponding loan fees outlined in this letter reflect the transaction as currently structured and proposed. The borrower should be aware that interest rates and corresponding loan fees are subject to change after completion of formal credit underwriting if information identified in the underwriting process creates a material adverse change in the transaction being considered.

MATERIAL ADVERSE CHANGE:

Day Air Credit Union in its sole discretion reserves the right to withdraw or amend this loan proposal letter if during the course of its due diligence process it uncovers information that adversely affects the basis upon which this loan proposal was issued.

LOAN PROPOSAL EXPIRATION DATE: December 16th, 2022

Borrower should be aware that the proposed terms of the transaction as outlined in this letter are subject to change after the expiration date as notated above.

Please be aware that the final terms and conditions of the proposed loan are subject to approval by Day Air Credit Union. Also, all legal and financial documents deemed necessary by Day Air Credit Union in order to close your loan must be provided and executed to the satisfaction of Day Air Credit Union. If Day Air Credit Union funds your loan, you will be responsible for the cost of necessary appraisals, title insurance, document preparation and customary closing costs.

A **refundable** good faith deposit of **\$3,000.00** is required in order for Day Air Credit Union to begin processing your loan application. If for any reason your application is declined by Day Air Credit Union (other than as a result of Borrower's material misrepresentations), this deposit, less all out of pocket expenses will be refunded to you. If Day Air Credit Union funds your loan, **\$3,000.00** of the deposit will be applied to closing costs. In any event, you will be responsible for the above referenced closing and documentation fees and cost of all necessary real estate appraisals, title insurance policies and commitments, survey, Environmental reports, and all other customary closing costs and fees. After loan approval and prior to beginning Loan Documentation and ordering of these third-party reports or items, Borrower may be asked for an additional deposit which will be applied to the above closing costs.

I look forward to receiving the above items and discussing your loan request in further detail. Please call me if you have any questions.



11/18/2022

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Sincerely,

Holli Davis

Holli Davis, CUBLP
Director of Business Banking
Day Air Credit Union, Inc.
NMLS #1441183

ACKNOWLEDGED:

Trotwood Community Improvement Corporation

Chad Downing

Mr. Chad Downing, Executive Director

Date: 12/15/2022

