

VAULT COPY

**agenda  
City of Brookings  
Special Council Meeting  
City Hall Council Chambers  
898 Elk Drive  
Brookings, OR 97415  
May 4, 1999  
at 12:00 Noon**



# agenda

CITY OF BROOKINGS  
SPECIAL COUNCIL MEETING  
Brookings City Hall Council Chambers  
898 Elk Drive, Brookings, Oregon  
May 4, 1999  
12:00 Noon

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

IV. PROPERTY PURCHASE


V. RESOLUTIONS


A. Approval of Resolution No. 99-R-658 - Approval of interfund loan for the purchase of property

V. ADJOURN



TO: Mayor, City Council

FROM: Leo Lightle,   
Community Development Director

THROUGH: Tom Weldon, City Manager 

DATE: May 3, 1999

City of Brookings



ISSUE: Purchase of property for city yard, city shops and city equipment storage from John and Pat Curry.

City staff, with City Council approval, has been negotiating for property for the new city yard, city shops and public works equipment storage. The Council and City Attorney have reviewed the contract and asked for changes on various items during the process.

The proposed contract contains the normal items and specified items which include:

- Title Insurance: title report which includes covenants, conditions and restrictions showing the conditions of the title of the property.
- Seller has no knowledge of any hazardous substances on the property.
- No special assessments on property.
- Key Title will be handling escrow.
- Price of property is \$305,000 for 1.99 acres.
- Allows for lot line adjustment to straighten property line but will not significantly increase or decrease the property size.

The changes the Council requested to make more clear and specify payment date and amounts have been made to reflect payment of \$200,000 on May 12, 1999 which would close escrow if a clear title report is furnished. There would be a final payment on July 15, 1999 of \$105,000 plus interest. The interest, if we make payment on schedule, will be \$1,605.20. We proposed to borrow money from within. Please see the Finance Director's memo.



# ADDENDUM TO REAL ESTATE SALE AGREEMENT

The Oregon Real Estate Agency has reviewed this form for compliance with the applicable provisions in ORS.696 and finds that it complies with those provisions.

This is an Addendum to: ☒ Real Estate Sale Agreement ☐ Seller's Counter Offer ☐ Buyer's Counter Offer

Re: Real Estate Sale Agreement No. 354022 Dated 4/30/99 Addendum No. "A"

Buyer: CITY OF BROOKINGS

Seller: J & P CURRY

The real property described as: CCM 40-13-06DD TAX LOT #800

WHARF STREET

**SELLER AND BUYER HEREBY AGREE THE FOLLOWING SHALL BE A PART OF THE REAL ESTATE SALE AGREEMENT REFERENCED ABOVE.**

1. BUYER TO PROVIDE SELLER WITH A NOTE SECURED BY A FIRST TRUST DEED IN THE AMOUNT OF \$105,000.00 .

ALL DUE AND PAYABLE ON OR BEFORE JULY 15, 1999, NOT TO EXCEED 30 DAYS AFTER JULY 15, 1999.

NO PRE-PAYMENT PENALTY FOR EARLY PAY-OFF.

INTEREST RATE WILL BE AT 9 % PER ANNUM. (NINE PERCENT)

~~PAY OFF WILL INCLUDE \$105,000.00 PLUS INTEREST OWING.~~

2. BUYER TO ACCEPT THE RESPONSIBILITY OF A LOT LINE ADJUSTMENT, SEE ATTACHED MAP.

BUYER TO START LOT LINE ADJUSTMENT ANYTIME AFTER CLOSE OF ESCROW MAY 12, 1999.

ALL FEES INCURRED FOR THIS PROCESS WILL BE AT BUYERS EXPENSE.

3. AGENT IS RELATED TO SELLER/OWNER

4. A COLLECTION ESCROW TO BE SET UP AT KEY TITLE OR BUYERS CHOICE.

BUYER TO PAY SET-UP FEE.

Buyer Signature \_\_\_\_\_ Date \_\_\_\_\_, \_\_\_\_\_ A.M. \_\_\_\_\_ P.M.

Buyer Signature \_\_\_\_\_ Date \_\_\_\_\_, \_\_\_\_\_ A.M. \_\_\_\_\_ P.M.

Seller Signature \_\_\_\_\_ Date \_\_\_\_\_, \_\_\_\_\_ A.M. \_\_\_\_\_ P.M.

Seller Signature \_\_\_\_\_ Date \_\_\_\_\_, \_\_\_\_\_ A.M. \_\_\_\_\_ P.M.

Listing Licensee J. Pate-Harlander Selling Licensee J. Pate-Harlander

Listing Firm Broker Initials/Date \_\_\_\_\_ Selling Firm Broker Initials/Date \_\_\_\_\_

# Memorandum

**TO:** Mayor & Council  
**THRU:** Tom Weldon, City Manager  
**FROM:** Gail L. Hedding, Finance Director/Recorder  
**DATE:** May 3, 1999  
**RE:** Interfund Loan for Purchase of Property

*Tom*



*Gail*

**Issue:** Approval of interfund loan from General Reserve to facilitate property purchase.

**Synopsis** The price of property for purchase to be used for public works storage, vehicle storage and a future of site for the city shop has been agreed to at \$305,000. The proposed financing of the property includes a \$200,000 cash payment upon signing of the contract. The balance of \$105,000 could then be paid on July 15, 1999, therefore, securing seller financing at 9% for approximately 70 days resulting in interest of \$1,815. In a effort to hold external interest payments at a minimum, I would propose paying the \$105,000 from the Street, Water, and Wastewater Funds budgeted of \$61,800 and taking an interfund loan from the General Reserve for approximately \$46,000. The loan from the General Reserve would be repaid in the 2000/2001 fiscal year with interest at 4.9% (the current rate paid by the Oregon Investment Pool). This type of loan is permitted in ORS 294.460 and has been constructed to meet the necessary criteria as prescribed by the ORS.

## **Recommendation**

Using the funds available in the General Reserve Fund to pay the seller the amount due would minimize the interest expense and the interest that is paid would be paid to another fund within the city. The interest savings generated by this method of financing is approximately \$1,846. I would recommend approving the loan and passing resolution 99-R-658.

**City of Brookings**  
**Interfund Loan Analysis**

Property Purchase	\$305,000.00	
Down Payment	\$200,000.00	
Loan Amount	\$105,000.00	
Interest Rate	9.00%	
Annual Interest Expense	\$9,450.00	
Interest from May 5-July 15	\$1,815.00	
<b>Amount Due July 15, 1999</b>	<b>\$106,815.00</b>	
FY 1999/2000 Expenditures		
Street	\$20,600.00	
Water	\$20,600.00	
Wastewater	\$20,600.00	
	\$61,800.00	
Interfund Loan Amount	\$45,015.00	Borrow from General Reserve
Street	\$15,005.00	Repay 7/15/2000
Water	\$15,005.00	
Wastewater	\$15,005.00	
Interest due General Reserve	4.90%	
Street	\$735.25	
Water	\$735.25	
Wastewater	\$735.25	
Total interest paid on interfund loan	\$2,205.74	
Total interest paid on owner financing	\$4,051.00	
<b>Savings</b>	<b>\$1,845.27</b>	

**RESOLUTION NO. 99-R-658**

**A RESOLUTION TO APPROVE AN INTERFUND LOAN FOR THE PURCHASE OF PROPERTY.**

WHEREAS, the City of Brookings is in need of property for public works storage, vehicle storage and a city shop and has reached an agreement to purchase property identified as Assessor Map 41-13-6DD T.L. 800 for the sum of \$305,000.00; and

WHEREAS, the seller is willing to finance the loan at an interest rate of 9% and the City's General Reserve fund has funds available at a rate of 4.9%; and

WHEREAS, the action of interfund loans is permitted in ORS 294.460 (subject to certain restrictions); and

WHEREAS, the money loaned shall be repaid to the City's General Reserve by the end of the ensuing year;

NOW, THEREFORE, BE IT RESOLVED that the Mayor and City Council of the City of Brookings does hereby approve the loan of funds not to exceed Fifty Thousand (\$50,000.00) to pay seller for purchased property at a rate of 4.9% for the term July 15, 1999-June 30, 2001.

ADOPTED by the Council and signed by the MAYOR this \_\_\_\_ day of May, 1999.

\_\_\_\_\_  
Bob Hagbom  
Mayor

ATTEST:

\_\_\_\_\_  
Gail L. Hedding  
Finance Director/Recorder