

MEMORANDUM

DATE: May 20, 2015

TO: Honorable Mayor and City Commissioners

FROM: Kenneth Fields, City Manager

RE: Resolution 2015-10, GWFC Woman's Club of Lake Wales, Inc., Loan

SYNOPSIS: The approval authorizes a Loan for the Roof Repair of the Lake Wales Women's Club.

RECOMMENDATION

It is recommended that the City Commission adopt Resolution 2015-10.

BACKGROUND

The GWFC Woman's Club of Lake Wales ("WCLW") building sits on City owned land just east of the Florida Midland Railroad right of way in downtown Lake Wales. The City's grant to construct the building provides that if the club ceases to operate, the building and the land shall revert to the city. Up until the past few years, the WCLW generated significant income for its operations and programs by renting out the building for events such as parties, weddings, etc. Recently, however, a leak in the roof which allows water to enter the event space has severely reduced the number of events being held there and the corresponding revenue to the club. In addition, recent other repairs and upgrades, specifically to the air conditioning system have depleted the club's reserves and prevented the necessary roof repairs from taking place.

The WCLW has requested a loan from the City of Lake Wales of six thousand dollars (\$6,000.00) to cover half the cost of the necessary roof renovation. It currently has available the remaining funds necessary to complete the job. Once the roof is repaired, the club expects to generate sufficient revenue to repay the loan at the end of three years with interest.

If the WCLW were to cease operations due to lack of revenue, or other reasons, the building would revert to the City and it would become responsible for its upkeep and maintenance.

FINANCIAL IMPACT

Approval of this Resolution will require a cash contribution by the City of six thousand dollars (\$6,000.00). The WCLW will pay annual interest of one hundred eighty dollars and repay the principal after three years.

ATTACHMENT

Resolution 2015-11

RESOLUTION 2015-10

A RESOLUTION OF THE CITY OF LAKE WALES, POLK COUNTY, FLORIDA, PROVIDING FOR A LOAN IN THE PRINCIPAL AMOUNT OF \$6,000.00 TO THE GWFC WOMAN'S CLUB OF LAKE WALES, INC., FOR ROOF REPAIRS TO ITS FACILITY

WHEREAS, The GWFC Woman's Club of Lake Wales, Inc., utilizes a facility located at 275 East Park Avenue which is situate on real property owned by the City of Lake Wales; and

WHEREAS, The GWFC Woman's Club of Lake Wales, Inc., needs to make repairs to the roof of the facility and has advised that it has on hand the sum of \$6,000.00 to be utilized for repairs and is in need of an additional \$6,000.00; and

WHEREAS, it is in the interest of the public to assist in repairs to this facility located on public property; and

WHEREAS, The GWFC Woman's Club of Lake Wales, Inc., has agreed to repay the loan with annual interest payments and a balloon payoff after a 36 month period; and

WHEREAS, the contemplated roof repairs will allow The GWFC Woman's Club of Lake Wales, Inc., to continue to allow it to rent the facility for functions to assist in its continued benefit and viability in the community.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF LAKE WALES, FLORIDA:

- 1.** The City of Lake Wales will make a loan of \$6,000.00 to The GWFC Woman's Club of Lake Wales, Inc., and the City will accept a Promissory Note for said sum bearing interest at 3% per annum to be repaid in accordance with its terms.
- 2.** This Resolution shall take effect immediately upon its adoption.

APPROVED AND ADOPTED BY the City Commission of the City of Lake Wales, Florida, _____ day of June 2015.

Eugene L. Fultz, Mayor

ATTEST:

Clara VanBlargan, MMC, City Clerk

PROMISSORY NOTE

Lake Wales, Florida

\$6,000.00

June 2, 2015

On or before the dates hereinafter enumerated for value received, the undersigned Maker, **THE GWFC WOMAN'S CLUB OF LAKE WALES, INC.**, promises to pay to the order of the **CITY OF LAKE WALES, FLORIDA**, with address of 201 West Central Avenue, Lake Wales, Florida, the principal sum of **SIX THOUSAND AND NO/100 DOLLARS (\$6,000.00)**, together with interest thereon at the rate of three per cent (3%) per annum from date until paid, said principal and interest being due and payable monthly as follows:

Interest in the amount of \$180.00 on or before the second day of June, 2016; and interest in the amount of \$180.00 on or before the second day of June, 2017, with the final interest payment in the amount of \$180.00, together with the principal balance in the amount of \$6,000.00 for a balloon payment in the amount of \$6,180.00 on or before the second day of June, 2018.

If the Note Holder has not received the full amount of any annual interest payment by the end of 15 calendar days after the date it is due, Maker will pay a late charge to the Note Holder. The amount of the charge will be 5 % of my overdue payment when due of interest, principal or both. Maker will pay this late charge promptly but only once on each late payment.

This note is negotiable. If default in payment occurs and such default continues for a period of thirty (30) days, the entire balance shall become due and payable, without notice. And it is agreed by the maker with the holder hereof that should this note be collected by legal process or by an attorney, Maker will pay all costs of the same and a reasonable attorney's fee. And each of us, whether surety, guarantor or endorser, hereby severally waive presentation and demand for payment and notice of nonpayment at maturity, and consent that this note or any part hereof may be extended without further notice.

THE GWFC WOMAN'S CLUB OF LAKE WALES, INC.

By: Jessica Bray, its President

275 East Park Avenue
Lake Wales, FL 33853