



# Berkeley County Council

400 W. STEPHEN STREET, SUITE 201  
MARTINSBURG, WV 25401  
PHONE: (304) 264-1923



## THE COUNCIL

DOUGLAS E. COPENHAVER, JR.  
JIM WHITACRE  
ELAINE C. MAUCK, M.A.  
JAMES R. BARNHART  
DAN DULYEA

ALAN J. DAVIS  
COUNTY ADMINISTRATOR

[www.berkeleywv.org](http://www.berkeleywv.org)

DATE: June 4, 2020  
TO: County Council  
FROM: Alan J. Davis – County Administrator *AJD*  
RE: Construction Loan Bid Recommendation

On Thursday, May 14, 2020 bid proposals for the \$3.8 million construction/renovation loan needed for the adaptive reuse of 520 S. Raleigh Street were opened and read into the record. Proposals were received from:

- ❖ First United Bank
- ❖ Summit Community Bank
- ❖ United Bank
- ❖ Bank of Charles Town (BCT)
- ❖ CNB Bank
- ❖ Crews & Associates

Proposals were reviewed by a committee (hereinafter referred to as the “Committee”) composed of Council President Douglas Copenhaver; Norwood Bentley, In-House Legal Director; and me.

After a thorough analysis of all bids it is the consensus of the Committee that we recommend to the Berkeley County Building Commission that a 20 year (240 month) Lease Revenue Bond be issued through Crews & Associates. The Committee feels that this financing approach will provide Berkeley County with the most advantageous interest rates and payment option.

I have attached, for your reference, a summary of all proposals received.

If there are any questions, please feel free to contact any member of the Committee.

Thank you.

Attachment (1)

**ANALYSIS OF 520 S. RALEIGH STREET FINANCING PROPOSALS**

Key Components	First United Bank	Summit Community Bank	United Bank	Bank of Charles Town (BCT)	CNB Bank	Crews & Associates
Amount of Loan?	\$3,800,000	\$3,800,000	\$3,800,000 limited to 80% of completed value w/County contributing 15% of project costs.	\$3,800,000	\$3,800,000	\$3,800,000
Authorized to conduct business in WV?	Yes.	Yes.	Yes.	Yes.	Yes.	Yes.
Interest rate on construction loan?	3.2% if funded w/50% collateral. 2.8% if funded w/100% collateral.	3.65% fixed.	Variable rate equal to 80% of LIBOR rate plus 2.5% adjusted monthly thru construction. Then fixed in 5 year increments.	2.97% fixed.	2.97% fixed.	Average Coupon: 3.00%. Net Interest Cost: 2.836%. True Interest Cost: 2.796%
Loan origination fee?	None.	1/2 of 1%.	None	\$5,000.00	None	Costs of issuance.
Terms of loan?	18-months w/interest & principal @ maturity.	Interest only during construction automatically converting to 20 year fixed rate loan.	18 month construction line of credit followed by 10 years of amortizing payments.	18 month interest only construction followed by 20 year fixed rate loan.	Up to 21.5 years. Interest only during construction period (up to 18 months) converting to 20 year fixed rate loan.	Up to 21.5 years. Interest only during construction period (up to 18 months) converting to 20 year fixed rate loan.
Affirmation that interest only during construction?	No payments required until maturity.	Interest only during construction.	Interest only during construction.	Interest only during construction.	Interest only during construction.	Interest only during construction.
Affirmation that there will be no prepaid penalties?	No prepayment penalties.	No prepayment penalties.	No prepayment penalties.	No prepayment penalties.	No prepayment penalties.	Negotiated prior to closing.
Maximum loan-to-value ratio?	No loan-to-value percentage.	85% loan-to-value ratio.	None indicated.	LTV not to exceed the lesser of 80% of appraised value or total costs.	Maximum LTV will be 85% of the "as completed" appraised value.	Not applicable.
Appraisal needed?	No appraisal needed.	Yes. \$3,500 to \$5,000 paid by County.	None indicated.	Yes. \$3,400 to \$5,500 paid by County.	Yes. Paid by the County.	No.
Party responsible for normal & customary closing costs?	No closing costs only docu prep to be paid by County.	County responsible for all closing costs.	County responsible for all closing costs.	County responsible for all closing costs.	County responsible for all closing costs.	Costs associated w/bond issue are paid from bond proceeds.
How will the loan be secured?	No 1st lien required.	1st lien Credit Line Deed of Trust on 520 S. Raleigh St.	1st lien Credit Line Deed of Trust on 520 S. Raleigh St.	1st lien Credit Line Deed of Trust on 520 S. Raleigh St.	1st lien Credit Line Deed of Trust on 520 S. Raleigh St.	1st lien Credit Line Deed of Trust on 520 S. Raleigh St.
<b>PROPOSAL RATING</b>	<b>(6)</b>	<b>(4)</b>	<b>(5)</b>	<b>(3)</b>	<b>(2)</b>	<b>(1)</b>