

**CITY OF HARRINGTON**

**RESOLUTION 16-R-23**

**WHEREAS**, the City of Harrington was awarded a loan with a guarantee of principal forgiveness from the State of Delaware for water system improvements, and the City found it necessary to hold a special election on October 25, 2016 to issue new debt; and

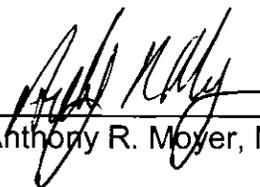
**WHEREAS**, the principal forgiveness loan functions much like interim construction financing and a grant, whereas loan payments are made only during the construction phase of the project; and

**WHEREAS**, the Charter requirement for voter approval for a loan with principal forgiveness requires additional expenses and time because of the necessity of a special election.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Harrington requests that the General Assembly amend Section 16.2.1 of the City Charter to add subsection (c) as follows:

(c) The limit of aggregate sum equal to three and one half percent (3.5%) of the total assessed value of all non-tax-exempt real property situated within the bounds of the City of Harrington shall not apply to financing in which the principal amount is guaranteed to be forgiven at the completion of the project for which the financing applies. Such financing generally acts as a loan during construction and then the principal amount does not have to be repaid upon completion of the project, so therefore, is much like a grant.

**NOW, THEREFORE, BE IT FURTHER RESOLVED** that this Resolution was adopted by a majority of the City Council of Harrington on this 19<sup>th</sup> day of December 2016.

  
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Anthony R. Moyer, Mayor

Attest:   
\_\_\_\_\_  
Kelly Blanchies, Clerk of Council

December 19, 2016  
\_\_\_\_\_  
Date