

RESOLUTION NO. 3931

A RESOLUTION ESTABLISHING POLICY ON THE ACCEPTANCE OF LETTERS OF CREDIT IN THE CITY OF OVERLAND PARK, KANSAS; RESCINDING RESOLUTION NO. 3867.

WHEREAS, when development is approved by the Governing Body of the City in areas where future capital improvements will be necessary, the developer shares in the cost of funding these future capital improvements; and

WHEREAS, it is necessary for the City to obtain a secure form of deposit from the developer to protect the City from potential default by the developer; and

WHEREAS, in certain circumstances, a letter of credit is one option a developer may utilize to satisfy the requirement for a secure form of deposit; and

WHEREAS, it is desirable that a policy be established in order to set standards for the acceptance of letters of credit.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF OVERLAND PARK, KANSAS:

Section 1. The Governing Body hereby authorizes staff to accept letters of credit for up to \$250,000 from any financial institution that has a rating of two stars or higher. Staff is further authorized to accept letters of credit in excess of \$250,000 from any financial institution that has a rating of three stars or higher or from any financial institution that has a rating of two stars if that financial institution provides a confirming letter of credit from the Federal Home Loan Bank. The staff will determine how the financial institution is rated by accessing Bankrate.com on the date the letter of credit is presented and or renewed.

Section 2. Resolution No. 3867 is hereby rescinded.

ADOPTED by majority vote of the Governing Body of Overland Park, Kansas, this 7th day of May, 2012.

Carl Gerlach, Mayor

ATTEST:

APPROVED AS TO FORM:

Marian Cook, City Clerk

Michael R. Santos
City Attorney