



Legislation Details (With Text)

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Title: SUPPLEMENTAL BUDGET RESOLUTION NO. 17-39 - APPROPRIATING FUNDING IN CONNECTION WITH THE WESTSIDE REDEVELOPMENT REVENUE BOND, SERIES 2017.

Sponsors: Ashton J. Hayward, III

Indexes:

Code sections:

Attachments: 1. Supplemental Budget Resolution No. 17-39, 2. Supplemental Budget Explanation No. 17-39

Date	Ver.	Action By	Action	Result
8/10/2017	1	City Council	Adopted	Pass
8/7/2017	1	Agenda Conference	Placed on Regular Agenda	Pass

LEGISLATIVE ACTION ITEM

SPONSOR: Ashton J. Hayward, III, Mayor

SUBJECT:

SUPPLEMENTAL BUDGET RESOLUTION NO. 17-39 - APPROPRIATING FUNDING IN CONNECTION WITH THE WESTSIDE REDEVELOPMENT REVENUE BOND, SERIES 2017.

RECOMMENDATION:

That City Council adopt Supplemental Budget Resolution No. 17-39.

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2017; PROVIDING FOR AN EFFECTIVE DATE.

HEARING REQUIRED: No Hearing Required

SUMMARY:

On April 10, 2017, the Community Redevelopment Agency (CRA) requested that the City pursue financing options for eligible Eastside and Westside projects, to be repaid from future Tax Increment Financing (TIF) revenues. Westside projects approved by the CRA at the meeting included land acquisitions, various streetscape projects and sidewalk enhancements.

Mitch Owens, the City’s Financial Advisor with RBC Capital Markets, LLC has pursued financing options and

has recommended SmartBank as the lender. SmartBank has offered twenty (20) year financing for both the CRA's Eastside and Westside Tax Increment Financing Districts at a fixed interest rate of 3.33%. Interest will be paid semi-annually on October 1 and April 1 of each year and principal payments will be paid annually on April 1 commencing on April 1, 2018 and maturing on April 1, 2037. The pledged revenues include Tax Increment Revenues derived from the Westside Redevelopment Area, and in the event that these revenues are insufficient, the Local Business Tax. The City's bond attorney has incorporated within the Resolution an interlocal agreement between the City and the CRA whereby the CRA agrees that in the event that Tax Increment Revenues are insufficient to fully pay the principal and interest on the Series 2017 Bond, and the City advances Local Business Tax for the payment thereof, the CRA shall repay such advance plus interest to the City once funds become available.

Upon approval of the financing by City Council, the Westside Redevelopment Revenue Bond proceeds will be available to fund land acquisitions, various streetscape projects and sidewalk enhancements. Any remaining proceeds can be used for capital improvements as identified in the Westside Neighborhood Plan.

Estimated Tax Increment Revenues are sufficient to meet debt service requirements for the twenty (20) year financing term as well as cover operations as currently structured in the fiscal year 2018 budget. However, for the next twenty (20) years, Tax Increment Revenues will be fully committed and additional projects as identified in the Westside Neighborhood Plan will need to come from revenue growth or other sources.

The financing team consists of Mitch Owens, the City's Financial Advisor with RBC Capital Markets, LLC and Randy Clement, Esq., with Bryant Miller Olive, the City's Bond Counsel.

In accordance with Section 163.346, Florida Statutes, a notice regarding the proposed issuance of the Westside Redevelopment Revenue Bond, Series 2017 has been sent to each taxing authority which levies ad valorem taxes on taxable real property contained within the geographic boundaries of the redevelopment area. Further, a notice of the public meeting has been published in the Pensacola News Journal of such proposed action in accordance with Florida Statutes.

PRIOR ACTION:

April 10, 2017 - CRA requested that the City pursue financing options for eligible Eastside and Westside projects, to be repaid from future Tax Increment Financing revenues.

FUNDING:

N/A

FINANCIAL IMPACT:

Adoption of Supplemental Budget Resolution No. 17-39 will appropriate funding for the Community Redevelopment Agency's Westside Redevelopment Bond, Series 2017.

CITY ATTORNEY REVIEW: Yes

7/24/2017

STAFF CONTACT:

Eric W. Olson, City Administrator
Richard Barker, Jr., Chief Financial Officer

ATTACHMENTS:

- 1) Supplemental Budget Resolution No. 17-39
- 2) Supplemental Budget Explanation No. 17-39

PRESENTATION: No