



Legislation Details (With Text)

File #: 2017 -18 **Version:** 1 **Name:** CRA
Type: CRA Resolution **Status:** Passed
File created: 10/26/2017 **In control:** Community Redevelopment Agency
On agenda: 11/6/2017 **Final action:** 11/6/2017
Enactment date: **Enactment #:**
Title: RESOLUTION NO. 2017-18 CRA - AUTHORIZING AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF PENSACOLA AND THE COMMUNITY REDEVELOPMENT AGENCY PERTAINING TO THE URBAN CORE REDEVELOPMENT REVENUE BONDS, SERIES 2017.

Sponsors: Ashton J. Hayward, III

Indexes:

Code sections:

Attachments: 1. Resolution No. 2017-18 CRA, 2. April 10, 2017 CRA action item approving TIF district projects and requesting financing

Date	Ver.	Action By	Action	Result
11/6/2017	1	Community Redevelopment Agency	Adopted	Pass

ACTION ITEM

SPONSOR: Jewel Cannada-Wynn, Chairperson

SUBJECT:

RESOLUTION NO. 2017-18 CRA - AUTHORIZING AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF PENSACOLA AND THE COMMUNITY REDEVELOPMENT AGENCY PERTAINING TO THE URBAN CORE REDEVELOPMENT REVENUE BONDS, SERIES 2017.

RECOMMENDATION:

That the Community Redevelopment Agency adopt Resolution No. 2017-18 CRA.

A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PENSACOLA, FLORIDA, RELATING TO THE COMMUNITY REDEVELOPMENT WITHIN THE REDEVELOPMENT AREA ESTABLISHED BY CITY COUNCIL RESOLUTION NO. 65-81; PROVIDING FINDINGS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF AN INTERLOCAL AGREEMENT WITH THE CITY OF PENSACOLA, FLORIDA, PERTAINING TO THE URBAN CORE REDEVELOPMENT REVENUE BOND, SERIES 2017 AND PROVIDING AN EFFECTIVE DATE.

SUMMARY:

On April 10, 2017, the Community Redevelopment Agency (CRA) requested that the City pursue financing options for eligible Urban Core projects, to be repaid from future Tax Increment Financing (TIF) revenues. 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 a twenty-two year and five month financing for the CRA's Urban Core Tax Increment Financing District at an initial fixed interest rate of 3.6%. On April 1, 2020, the interest rate will reset based on a predetermined formula as described in Section 7 of the Resolution. 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, 2040.

The pledged revenues include Tax Increment Revenues derived from the Urban Core Redevelopment Area, and in the event that these revenues are insufficient, certain Non-Ad Valorem Revenues budgeted and appropriated for such purposes. 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 Redevelopment Revenue Bonds, Series 2009A and Redevelopment Revenue Bonds, Series 2009B (collectively referred to as the Series 2009 Bonds), and the City advances any Non-Ad Valorem Revenues for the payment thereof, the CRA shall repay such advance plus interest to the City once funds become available. Since the Series 2017 Bond pledges the same revenue stream as the Series 2009 Bonds, the Series 2017 Bond will be issued on parity with the Series 2009 Bonds.

Upon approval of the financing by City Council, the Series 2017 Bond proceeds will be available to fund the acquisition of land, construction of certain streetscape projects, sidewalk enhancements, Jefferson Street Road Diet Project and Bay Ferry Project and certain other community redevelopment capital improvements to the Urban Core Community Redevelopment Area included in Urban Core Community Redevelopment Plan.

Based on current projections, Tax Increment Revenues are sufficient to meet debt service requirements for the twenty-two year and five month financing term as well as cover operations as currently structured in the Fiscal Year 2018 Budget. It is also projected that for the next twenty-two years and five months, Tax Increment Revenues will be fully committed and additional projects as identified in the Urban Core Community Redevelopment 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.

PRIOR ACTION:

October 8, 2009 - City Council approved Resolution No. 33-09 providing for the issuance of the Redevelopment Revenues Bonds, Series 2009A and Redevelopment Revenue Bonds, Series 2009B (Federally Taxable - Build America Bonds) in the amount of \$45,640,000.

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

FUNDING:

N/A

FINANCIAL IMPACT:

There is no immediate financial impact as the estimated Tax Increment Revenues are projected to be sufficient to meet debt service requirements for the twenty-two year and five month financing term. However, should the CRA have to draw upon the Non-Ad Valorem Revenues for the debt service payment, the CRA will be required to repay such advance plus interest to the City once funds become available. If this occurs, the interest rate shall be calculated using the “WSJ Prime Rate” published by *The Wall Street Journal*.

CITY ATTORNEY REVIEW: Yes

10/30/2017

STAFF CONTACT:

Richard Barker, Jr., Chief Financial Officer

ATTACHMENTS:

- 1) Resolution No. 2017-18 CRA
- 2) April 10, 2017 CRA action item approving TIF district projects and requesting financing

PRESENTATION: No