



Legislation Details (With Text)

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Title: SUPPLEMENTAL BUDGET RESOLUTION NO. 17-26 - APPROPRIATING FUNDING FOR THE FISCAL YEAR 2017 AND FISCAL YEAR 2018 INTEREST PAYMENT ON THE LOAN FROM THE CITY'S INSURANCE RETENTION FUND TO THE COMMUNITY REDEVELOPMENT AGENCY'S EASTSIDE TAX INCREMENT FINANCING DISTRICT

Sponsors: Ashton J. Hayward, III

Indexes:

Code sections:

Attachments: 1. Supplemental Budget Resolution No. 17-26, 2. Supplemental Budget Explanation No. 17-26

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. 17-26 - APPROPRIATING FUNDING FOR THE FISCAL YEAR 2017 AND FISCAL YEAR 2018 INTEREST PAYMENT ON THE LOAN FROM THE CITY'S INSURANCE RETENTION FUND TO THE COMMUNITY REDEVELOPMENT AGENCY'S EASTSIDE TAX INCREMENT FINANCING DISTRICT

RECOMMENDATION:

That City Council adopt Supplemental Budget Resolution No. 17-26.

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 September 12, 2016 the Community Redevelopment Agency (CRA) approved and authorized Resolution No. 04-2016 approving and authorizing an interlocal agreement with the City to finance the design,

construction and acquisition of the General Daniel “Chappie” James Jr. Museum & Flight Academy Project.

On September 15, 2016, City Council authorized an interlocal agreement between the City and the CRA providing a loan from the City’s Insurance Retention Fund of up to \$500,000 (the Loan) to the Community Redevelopment Agency’s (CRA’s) Eastside Tax Increment Financing District for the construction of the General Daniel “Chappie” James Jr. Museum & Flight Academy Project. The interlocal agreement provided that the Loan was for an eight (8) year term, at an annual interest rate of three percent (3%) to be repaid from the Eastside Neighborhood Redevelopment Trust Fund.

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. Mitch Owens, the City’s Financial Advisor with RBC Capital Markets, LLC has pursued financing options and it is anticipated that a twenty (20) year financing for the CRA’s Westside and Eastside Tax Increment Financing Districts will be approved by Council at the August 10, 2017 City Council meeting. Upon approval of the financing by City Council, the proceeds will fund part of the cost for the construction of the General Daniel “Chappie” James Jr. Museum & Flight Academy Project freeing up the proceeds from the Loan to be used for other eligible projects as identified in the Urban Infill and Redevelopment Area Plan.

On July 13, 2017, the City Council approved Ordinance No. 21-17, amending Ordinance No. 16-05 to provide for a twenty (20) year extension of the Eastside Neighborhood Redevelopment Trust Fund. The extension allows for the City to take advantage of the maximum number of years (forty (40) years) currently allowed under Section 163.387, Florida Statutes.

The current Loan repayment schedule was based on the Eastside Neighborhood Redevelopment Trust Fund’s original sunset date. With the extension of the Eastside Neighborhood Redevelopment Trust Fund, the amended and restated interlocal agreement changes the provisions of the Loan from an eight (8) year term to a thirty (30) year term in order to secure the Eastside TIF revenues through the end of the Eastside Neighborhood Redevelopment Trust Fund. In addition, the repayment schedule of the Loan has been extended so that the first principal payment is due once the anticipated twenty (20) year financing has been paid off in order to make available TIF revenues to pay the principal and interest on the anticipated financing.

The amended and restated interlocal agreement also changes the project description as the anticipated financing proceeds will fund part of the cost for the construction of the General Daniel “Chappie” James Jr. Museum & Flight Academy Project freeing up the proceeds from the Loan to be used for other eligible projects as identified in the Urban Infill and Redevelopment Area Plan. The annual interest rate of the Loan (3% per year) remains the same in the amended and restated interlocal agreement.

PRIOR ACTION:

September 12, 2016 - the CRA approved Resolution No. 04-2016 approving and authorizing an interlocal agreement with the City to finance the design, construction and acquisition of the General Daniel “Chappie” James Jr. Museum & Flight Academy Project.

September 15, 2016 - City Council authorized an interlocal agreement between the City and the CRA providing a loan from the City’s Insurance Retention Fund of up to \$500,000 to the CRA’s Eastside Tax Increment Financing District for the construction of the General Daniel “Chappie” James Jr. Museum & Flight Academy Project.

January 12, 2017 - City Council approved the transfer of \$440,000 from the City’s General Fund to the Eastside

TIF Fund, specifically for the General Daniel “Chappie” James Jr. Museum & flight Academy Project.

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.

July 19, 2017 - City Council approved Ordinance No. 21-17, extending the Eastside Neighborhood Redevelopment Trust Fund for an additional twenty (20) years.

FUNDING:

Budget: \$ 18,750

Actual: \$ 18,750

FINANCIAL IMPACT:

Adoption of Supplemental Budget Resolution No. 17-26 will appropriate the fiscal year 2017 and fiscal year 2018 interest payment on the loan from the City’s Insurance Retention Fund to the Community Redevelopment Agency’s (CRA’s) Eastside Tax Increment Financing District.

CITY ATTORNEY REVIEW: Yes

7/18/2017

STAFF CONTACT:

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

ATTACHMENTS:

- 1) Supplemental Budget Resolution No. 17-26
- 2) Supplemental Budget Explanation No. 17-26

PRESENTATION: No