



Legislation Details (With Text)

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Title: RESOLUTION NO. 2017-5 - AUTHORIZING THE AMENDED AND RESTATED INTERLOCAL AGREEMENT BETWEEN THE CITY OF PENSACOLA AND THE COMMUNITY REDEVELOPMENT AGENCY.
Sponsors: Jewel Cannada-Wynn

Indexes:

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Attachments: 1. Resolution No 2017-5 Incorporating Amended and Restated Interlocal Agreement - Eastside loan

Date	Ver.	Action By	Action	Result
8/7/2017	1	Community Redevelopment Agency	Adopted	Pass

ACTION ITEM

SPONSOR: Jewel Cannada-Wynn, Chairperson

SUBJECT:

RESOLUTION NO. 2017-5 - AUTHORIZING THE AMENDED AND RESTATED INTERLOCAL AGREEMENT BETWEEN THE CITY OF PENSACOLA AND THE COMMUNITY REDEVELOPMENT AGENCY.

RECOMMENDATION:

That the Community Redevelopment Agency adopt Resolution No. 2017-5.

A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PENSACOLA, FLORIDA, AUTHORIZING AN AMENDED AND RESTATED INTERLOCAL AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND THE CITY OF PENSACOLA, FLORIDA, TO PROVIDE FOR THE FINANCING OF COMMUNITY REDEVELOPMENT PROJECTS WITHIN THE EASTSIDE REDEVELOPMENT AREA WHICH MAY INCLUDE, BUT ARE NOT LIMITED TO, THE CONSTRUCTION AND RETROFITTING OF THE GENERAL DANIEL "CHAPPIE" JAMES, JR. MUSEUM & YOUTH FLIGHT ACADEMY; APPROVING THE FORM OF THE AMENDED AND RESTATED INTERLOCAL AGREEMENT; RATIFYING AND CONFIRMING ALL PRIOR ACTIONS OF THE COMMUNITY REDEVELOPMENT AGENCY ASSOCIATED THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

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 a twenty (20) year financing option for the CRA’s Westside and Eastside Tax Increment Financing Districts will be brought before 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, 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 13, 2017 - City Council approved Ordinance No. 21-17, extending the Eastside Neighborhood Redevelopment Trust Fund for an additional twenty (20) years.

FUNDING:

N/A

FINANCIAL IMPACT:

The Loan was disbursed on September 30, 2016. Interest only payments will commence on December 31, 2016 and will total \$3,750 in year one and approximately \$15,000 annually thereafter until December 31, 2037 at which point principal repayment will begin. Principal repayment of the Loan will begin on December 31, 2037 and will conclude on December 31, 2045. Principal and interest payments during that time period will total approximately \$65,000. The Loan terms include a 3% annual interest rate. Debt service will be appropriated and paid from revenues of Eastside Tax Increment Financing District Fund.

CITY ATTORNEY REVIEW: Yes

7/19/2017

STAFF CONTACT:

Richard Barker, Jr., Chief Financial Officer

ATTACHMENTS:

- 1) Resolution No. 2017-5 Incorporating Amended and Restated Interlocal Agreement - Eastside loan

PRESENTATION: No