



**CITY OF FORT LAUDERDALE  
City Commission Agenda Memo  
REGULAR MEETING**

**#23-0431**

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**TO:** Honorable Mayor & Members of the  
Fort Lauderdale City Commission

**FROM:** Greg Chavarria, City Manager

**DATE:** May 16, 2023

**TITLE:** Resolution Approving and Authorizing the Execution of a Non-Revolving  
Line of Credit Agreement for the Police and Public Safety Project -  
**(Commission Districts 1, 2, 3 and 4)**

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**Recommendation**

Staff recommends that the City Commission adopt a resolution approving and authorizing the execution of a Line of Credit Agreement with Regions Capital Advantage, Inc., (Regions), in the form of a non-revolving line of credit not to exceed the amount of \$45,500,000, in substantially the form attached, with such variations, omissions and insertions as may be approved by the City Manager, upon the advice of the Director of Finance, the City Attorney, and Bond Counsel, for the purpose of providing short-term financing for the additional costs of the Police and Public Safety Project.

**Background**

On February 12, 2020, the City issued General Obligation Bonds, Series 2020B (Police and Public Safety Project) for the purpose of financing a portion of the costs of the development, design, acquisition, construction, equipping, installation, improvement and furnishing of police and public safety facilities, equipment, and technology.

The original cost to finance the acquisition, construction, renovation and improvement of public safety facilities was approximately \$100,000,000. However, with increasing costs due to inflation, the estimated cost is now \$142,000,000.

This line of credit (Line) is short-term financing to cover the additional costs of the Police and Public Safety Project. Using a line of credit offers the main advantage of flexibility, allowing the City to make draws as needed, which can provide savings because interest accrues only on funds that are drawn. At the end of the draw period, the issuance of long-term debt to finance the balance drawn under the Line is anticipated.

On May 26, 2022, PFM Financial Advisors LLC (“PFM”), on behalf of the City, issued a Request for Proposals (RFP) for a tax-exempt line of credit financing in an amount not-to-exceed \$45.5 million. Prior to the submission deadline, the City received responses from five (5) firms. One of the key considerations for selecting a lender is the anticipated timing for the City to make draws on the Line. Since the City may not make draws for several months into the draw period, more consideration was given to the undrawn fees and the indicative rate if a draw were to be made.

Based on these two criteria, as well as the overall terms in their proposal, Regions was deemed to be the best option given the combination of its variable rate formula and no fees associated with the undrawn portion of the facility.

Details of the Line are as follows:

Maximum Line of Credit Amount	\$45,500,000
Interest Rate	Variable rate equal to 79% of the 1-Month SOFR rate plus 34 basis points.
Term	Non-revolving Draw Period of 24 months from closing, at the end of the 24-month period the term-out period begins for a 5-year period
Debt Service Reserve	None
Security	Pledge of Non-Ad Valorem Revenue

**Resource Impact**

There will be a positive fiscal impact to the City in the amount of \$45,500,000.

<b>Funds available as of April 10, 2023</b>					
<b>ACCOUNT NUMBER</b>	<b>COST CENTER NAME</b>	<b>CHARACTER CODE/ACCOUNT NAME</b>	<b>AMENDED BUDGET (Character)</b>	<b>AMOUNT RECEIVED (Character)</b>	<b>AMOUNT</b>
10-352-0000-000-384-003-LOC2023	Line of Credit – Police Headquarters	Other Sources / Loans and Notes Proceeds	\$45,000,000	\$0	\$45,500,000
<b>TOTAL AMOUNT</b>					\$45,500,000

**Strategic Connections**

This item supports the *Press Play Fort Lauderdale 2024* Strategic Plan, specifically advancing:

- The Public Safety Focus Area
- Goal 6: Build a safe and well-prepared community.
- Objective: Prevent and solve crime in all neighborhoods.
  
- The Internal Support Focus Area
- Goal 8: Build a leading government organization that manages all resources wisely and sustainably.
- Objective: Maintain financial integrity through sound budgeting practices, prudent fiscal management, cost effective operations, and long-term financial planning

This item advances the *Fast Forward Fort Lauderdale 2035* Vision Plan: We Are Community; We Are United.

**Attachments**

Exhibit 1 – Resolution

Exhibit 2 – Recommendation Memorandum

Exhibit 3 – Regions Capital Advantage, Inc. Proposal

Exhibit 4 – Loan Documents

Exhibit 5 – Request for Proposals

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