



RTA

**SOUTH FLORIDA
REGIONAL
TRANSPORTATION
AUTHORITY**

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April 9, 2013

Mr. Lee Feldman
City Manager
City of Fort Lauderdale
100 N. Andrews Avenue
Fort Lauderdale, FL 33301

RE: Clarification of Bond Issuance

Dear Mr. Feldman:

South Florida Regional Transportation Authority (SFRTA), as the Project Sponsor for the Wave Modern Streetcar, has been asked by the City of Fort Lauderdale (City) to clarify certain issues regarding the Wave Partnership Agreement (Agreement) that pertain to the timing and amount of bonds to be issued by the City and when those funds are to be transferred to SFRTA. Specifically, the City has asked for clarification on whether they are required to issue bonds and transfer the proceeds to SFRTA by December 31, 2013 in the amount of \$20,590,000 or \$13,960,000.

The language in Paragraph 6.3.2 from the Agreement (provided below) contemplates the possibility that a decision on the Small Starts Grant application might occur prior to December 2013 (as it considers that either assessment amount referenced in Paragraph 6.3.2 may have been due by December 31, 2013). At this time, the only federal grant that the Project has received is the awarded TIGER Grant and therefore, the Project is currently defined as Phase 1A. If that remains the case, and based on SFRTA's interpretation of this provision, the CITY is required to provide SFRTA with \$13,960,000 by December, 31, 2013. If the Small Starts Grant is awarded prior to December 31, 2013, then the Project will be defined as Phase 1 and the entire \$20,590,000 shall be due to SFRTA by December 31, 2013.

If the Small Starts Grant application is awarded by the Federal Transit Administration after December 31, 2013, the Project will then be defined as Phase 1 and the City will owe SFRTA the additional Capital Funds (i.e. \$20,590,000 – 13,960,000 = \$6,630,000). The last sentence of the Paragraph requires the City to have agreed to provide the Capital Funds (which would now be defined as the \$20,590,000) for the Project (which would now be defined as Phase 1) prior to SFRTA's execution of the Small Starts Grant Application.

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6.3.2. The CITY shall use an ASSESSMENT process to raise an additional Twenty Million, Five Hundred and Ninety Thousand Dollars (\$20,590,000) or Thirteen Million, Nine Hundred and Sixty Thousand Dollars (\$13,960,000), if only PHASE 1A is implemented, from the net proceeds of a bond issue (the "ASSESSMENT AMOUNT"), as a portion of the CITY's CAPITAL FUNDS. The CITY will transmit to SFRTA the entire ASSESSMENT AMOUNT by December 31, 2013. The CITY agrees to issue bonds payable solely from the ASSESSMENT to provide for the CAPITAL FUNDS for the PROJECT, as a prerequisite to the execution by SPONSOR of the FEDERAL GRANT AGREEMENTS. [emphasis added]

We hope the above clarification is helpful to the City. SFRTA is excited to be the City's partner in the implementation of the WAVE Modern Streetcar in Downtown Fort Lauderdale and look forward to working towards a successful project that brings both mobility and economic benefits to the City and entire South Florida region.

Sincerely,



Joseph Giuliatti
Executive Director

JG/wlc

Cc: Diana Alarcon, City of Fort Lauderdale
Chris Wren, Fort Lauderdale DDA
William Cross, SFRTA
File