



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CRA BOARD MEETING

#21-0720

TO: CRA Chairman & Board of Commissioners
Fort Lauderdale Community Redevelopment Agency

FROM: Chris Lagerbloom, ICMA-CM, Executive Director

DATE: November 16, 2021

TITLE: Resolution Authorizing the Issuance of the Fort Lauderdale Community Redevelopment Agency Tax Increment Revenue and Refunding Notes, Series 2021 (Northwest-Progresso-Flagler Heights Community Redevelopment Area Projects) - **(Commission Districts 2 and 3)**

Recommendation

Staff recommends the Community Redevelopment Agency (CRA) Board of Commissioners approve a resolution authorizing the issuance of the Fort Lauderdale Community Redevelopment Agency Tax Increment Revenue and Refunding Notes, Series 2021 (Northwest-Progresso-Flagler Heights Community Redevelopment Area Project) in the form of a bank loan in an amount not to exceed \$23.1 million for the purpose of financing developer incentive projects (affordable housing/mixed use development, new office building, entertainment complex, etc.) and refunding the Tax Increment Revenue and Refunding Notes, Series 2015 to Truist Bank.

Background

CRA staff has been working with the City's Finance Department to secure a bank loan to fund larger CRA investments under the Development Incentive Program (DIP) and to refinance a 2015 CRA debt obligation to Truist Bank. The projects include:

- The Aldridge and Laramore Mixed-Use Affordable Housing Development Projects located at 1204 Sistrunk Boulevard and 1620 NW 6th Court. The CRA proposes to fund this project in the form of a DIP Loan in the amount of \$8,000,000 to Sistrunk Apartments, LLC. Approval of this project is on the November 16, 2021 CRA Board Agenda as CAM 21-0321;
- The Mixed-Use Commercial Development Project located at 909 Sistrunk Boulevard. The CRA proposes to fund this project in the form of a DIP Loan in the amount of \$4,000,000 to 909 NW 6th St LLC. Approval of this project is on the November 16, 2021 CRA Board Agenda as CAM 21-0319; and

- The Victory Entertainment Complex located at 1017 Sistrunk Boulevard and 606 NW 10th Terrace. The CRA proposes to fund this project in the form of a DIP Loan in the amount of \$2,450,000 to NE 6th Development LLC. Approval of this project is on the November 16, 2021 CRA Board Agenda as CAM 21-0320.

CRA funding for these three significant projects on Sistrunk Boulevard totals \$14,450,000. The bank loan will allow these major CRA projects that represent over \$35 million in new development along the corridor to get approved now so that they can commence with predevelopment approvals and development actions based on a CRA commitment to fully fund in this fiscal year and be completed before the CRA sunsets in 2025. The remaining funds will be used to pay off the remaining balance on the loan the CRA secured in 2015 to fund the WAVE project and to fund other CRA development initiatives in the CRA target areas.

A Request for Proposal was issued on May 13, 2021. Five responses were received, one of which was considered non-responsive. Branch Banking & Trust Company, a Truist Company, was the deemed the most responsive proposer. Details of the bank loan are as follows:

Loan amount	\$20,769,000
Interest rate	1.11%
Term	4 years, maturing September 1, 2025
Debt service reserve	None
Security	Tax Increment Financing (TIF) Revenues

The City's Finance staff and professional consultants have reviewed the economic environment; and based on current market conditions, a refunding of the remaining principal balance will provide an estimated present value savings of \$154,270 or 4.86% (as of November 3, 2021).

Resource Impact

There will be a positive fiscal impact to the CRA in the amount of \$20,769,000. The total cost of the loan is approximately \$21.4 million in debt service payments to be paid from CRA Tax Increment Financing revenues over the next 4 years. Maximum annual debt service is \$8.1 million. An interest payment of \$56,353 is due in March 2022.

Strategic Connections

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

- 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 planning

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

Related CAMs

21-0319, 21-0320, 21-0321, 21-0721, 21-0781 and 21-0926.

Attachments

Exhibit 1 - Loan Agreement

Exhibit 2 - BAFO Bid Tabulation

Exhibit 3 - Truist Rate Lock Letter

Exhibit 4 - Resolution

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