



Hallandale Beach Community Redevelopment Agency Agenda Cover Memo

Meeting Date:	November 18, 2019		Item Type: (Enter X in box)	Resolution	Ordinance	Other	
Fiscal Impact: (Enter X in box)	Yes	No	Ordinance Reading: (Enter X in box)	1st Reading		2nd Reading	
		X	Public Hearing: (Enter X in box)	Yes	No	Yes	No
					X		X
Funding Source:	N/A		Advertising Requirement: (Enter X in box)	Yes		No	
						X	
Account Balance:			RFP/RFQ/Bid Number:	N/A			
Contract/P.O. Required: (Enter X in box)	Yes	No	Project Number:	N/A			
Strategic Priority: (Enter X in box) Capital Improvements Goal 1 - Undertake Total Improvements of Public Realm <input type="checkbox"/> Goal 2 - Promote Public/Public and Public/Private Partnership <input type="checkbox"/> Promote Projects with Large-Scale Impacts Goal 1 - Issue a Request for Proposals (RFP) for NW infill Housing <input type="checkbox"/> Goal 2 - Issue a Request for Qualifications (RFQ) for Dixie Highway/Foster Road parcel <input type="checkbox"/> Priority Area: North West Quadrant <input type="checkbox"/> FEC Corridor <input type="checkbox"/> Southwest Quadrant <input type="checkbox"/> Northeast Quadrant <input type="checkbox"/> Southeast Quadrant <input type="checkbox"/>							
Sponsor Name:	Dr. Jeremy Earle, Executive Director		Department:	HBCRA			

Short Title:

PRESENTATION BY PFM FINANCIAL ADVISORS, LLC (PFM) OF THE HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY DEBT ISSUANCE OF APPROXIMATELY \$40 MILLION FOR CAPITAL NEEDS, PURSUANT TO THE CRA'S FINANCING AND IMPLEMENTATION PLAN FOR FY 2020-2027.

Staff Summary:

Background:

On February 11, 2019 the Hallandale Beach Community Redevelopment Agency (HBCRA) Board of Directors approved the Strategic Planning Group to complete the modification of the HBCRA Redevelopment Plan. As a part of the modification process, the HBCRA along with key stakeholders such as community members and business owners have identified numerous capital improvement projects which would serve to redevelop and revitalize each Quadrant of the CRA. The funding required to complete these projects, which include such things as new sidewalks, lighting, landscaping and roadways, will require a substantial amount of funding to the tune of approximately \$40-80 million dollars.

Due to the fact that the HBCRA is funded on a yearly basis through a mechanism called Tax Increment Financing (TIF), and because the HBCRA does not statutorily have reserves of tens of millions of dollars, the HBCRA would not be able to complete even one of these large-scale infrastructure projects without seeking additional funding in the form of a loan.

As the HBCRA approaches its sunset in 2026-2027, it is vital that investment decisions are made to maximize redevelopment potential. The agency is in the process of developing plans to undertake projects for which a minimum of \$40 million of new financing would be required. For this reason, the HBCRA Board approved the services of a financial advisor to refine the potential financing size based on the HBCRA's financials and markets conditions. On September 16, 2019, the Hallandale Beach Community Redevelopment Agency (HBCRA) Board of Directors approved to piggyback off the City of Pompano Beach agreement with PFM Financial Advisors, LLC (PFM).

HBCRA has met with PFM regarding the feasibility of the potential loan, and they have indicated that based on the financials of the HBCRA, the loan is a strong possibility.

Current Situation

In order to implement the vision of the community, and redevelop and revitalize the Community Redevelopment Area (CRA), the Hallandale Beach Community Redevelopment Agency (HBCRA) pursued the services of a financial advisor to

refine the potential financing size based on the HBCRA's financials and markets conditions and to ensure flexibility to maintain operational priorities.

As the HBCRA develops plans to undertake projects and contemplates its sunset date of 2026-2027 approaches, it is vital that investment decisions are made to maximize redevelopment potential. PFM has had meetings with HBCRA Staff, City staff and HBCRA consultants to discuss debt capacity, financing options and available resources. At the current stage, a minimum of \$40 million of new financing would be required. It is important to note that if the life of the HBCRA were to be extended by twelve years, there is a strong possibility that the HBCRA could receive a \$70 million loan in order to fund more capital projects.

Recommendation

Staff is recommending that the Board of Directors authorize PFM to work with the Procurement Department, the HBCRA Attorney, and the City Attorney's Office to issue a Request for Proposal (RFP) for the HBCRA loan.

Attachment(s):

Exhibit 1 – PFM PowerPoint Presentation

Exhibit 2 – Draft HBCRA CIP