



Hallandale Beach Community Redevelopment Agency Agenda Cover Memo

Meeting Date:	July 27, 2020		File No.	Item Type: <small>(Enter X in box)</small>	Resolution	Other		
			20-226		X	<small>Click or tap here to enter text.</small>		
Fiscal Impact: <small>(Enter X in box)</small>	Yes	No	Ordinance Reading: <small>(Enter X in box)</small>		1st Reading		2nd Reading	
	X		Public Hearing: <small>(Enter X in box)</small>		Yes	No	Yes	No
Funding Source:	HBCRA Loan, Series 2020		Advertising Requirement: <small>(Enter X in box)</small>		Yes		No	
							X	
Account Balance:	N/A		RFP/RFQ/Bid Number:		N/A			
Contract/P.O. Required: <small>(Enter X in box)</small>	Yes	No	Project Number :		N/A			
		X						
Strategic Priority: <small>(Enter X in box)</small> <div style="margin-top: 10px;"> Capital Improvements <div style="margin-left: 20px;"> Goal 1 - Undertake Total Improvements of Public Realm <input type="checkbox"/> </div> <div style="margin-left: 20px;"> Goal 2 - Promote Public/Public and Public/Private Partnership <input type="checkbox"/> </div> </div> <div style="margin-top: 10px;"> Promote Projects with Large-Scale Impacts <div style="margin-left: 20px;"> Goal 1 – Issue a Request for Proposals (RFP) for NW infill Housing <input type="checkbox"/> </div> <div style="margin-left: 20px;"> Goal 2 – Issue a Request for Qualifications (RFQ) for Dixie Highway/Foster Road parcel <input type="checkbox"/> </div> </div> <div style="margin-top: 10px;"> Priority Area: <div style="margin-left: 20px;"> North West Quadrant <input type="checkbox"/> </div> <div style="margin-left: 20px;"> FEC Corridor <input type="checkbox"/> </div> <div style="margin-left: 20px;"> Southwest Quadrant <input type="checkbox"/> </div> <div style="margin-left: 20px;"> Northeast Quadrant <input type="checkbox"/> </div> <div style="margin-left: 20px;"> Southeast Quadrant <input type="checkbox"/> </div> </div>								
Sponsor Name:		Dr. Jeremy Earle, Executive Director		Department:		HBCRA		

SHORT TITLE:

A RESOLUTION OF THE CHAIR AND BOARD OF DIRECTORS OF THE HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY, HALLANDALE BEACH, FLORIDA AUTHORIZING THE ISSUANCE OF A REDEVELOPMENT REVENUE NOTE SERIES 2020 IN A PRINCIPAL AMOUNT OF \$20,000,000 (THE "NOTE") TO FINANCE THE COST OF CERTAIN PUBLIC IMPROVEMENTS CONSISTENT WITH THE COMMUNITY REDEVELOPMENT PLAN; PROVIDING THAT THE NOTE SHALL BE A LIMITED OBLIGATION OF THE AGENCY PAYABLE FROM TAX INCREMENT REVENUES AS PROVIDED HEREIN; PLEDGING SUCH TAX INCREMENT REVENUES TO SECURE PAYMENT OF THE PRINCIPAL AND INTEREST ON SAID NOTE; PROVIDING FOR THE RIGHTS, SECURITIES AND REMEDIES FOR THE OWNER(S) OF THE NOTE; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.

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 part of the modification process, the HBCRA along with key stakeholders such as community members and business owners 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/Tree Canopy, and roadways, will require a substantial amount of funding to the tune of approximately \$50 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 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. As the HBCRA develops plans to undertake these large-scale projects, new financing would be required. For this reason, the HBCRA Board of Directors on September 16, 2019, approved and adopted through resolution #2019-29-CRA to utilize the City of Pompano Beach contract (piggyback) with PFM Financial Advisors LLC (PFM), for financial advisory services. Consequently, on November 18, 2019, the HBCRA Board of Directors authorized PFM to work with the Procurement Department, the HBCRA Attorney, and HBCRA Treasurer to issue a Request for Proposal (RFP) for the HBCRA loan.

On December 19, 2019, the Hallandale Beach Community Redevelopment Agency released solicitation RFP #FY2019-2020-CRA001 Bank Loan (Exhibit 2) in an amount not to exceed \$35 million. The HBCRA Board of Directors authorized PFM to review the proposals and to provide the HBCRA Executive Director a recommendation for award of a contract. The three (3) firms that were evaluated by PFM were:

Bank United, N.A.
BB&T
PNC Bank

PFM's review of the proposals indicates that PNC provided the most attractive proposal for the loan. Consequently, PFM recommends PNC because it provides the best combination of interest rate (indicated at the time of proposal at 1.881% tax-exempt / 2.334 taxable) and terms and conditions on the loan. Consequently, on April 15, 2020, the Board of Directors of the HBCRA passed and adopted resolution number 2020-009-CRA (Exhibit 3) awarding RFP #FY2019-2020-CRA001 to PNC Bank for a loan in an amount not to exceed \$35,000,000; and authorizing the Executive Director and HBCRA Attorney to negotiate and finalize a promissory note, loan agreement, security agreement and related documents with PNC Bank.

Current Situation

The funding required in completing 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 \$50 million dollars. After reviewing the projects timeline (design, procurement process, etc.) and to ensure funding source disbursements adheres to the determined timeline, HBCRA Staff is recommending pursuing a loan in an amount of approximately \$20 million (less cost of issuance). The size of the proposed financing would give the HBCRA flexibility for its debt service payment and undertake projects in accordance to the loan amount.

Recommendation

Staff is requesting the Board of Directors to approved bank loan.

Fiscal Impact

The fiscal impact is for an amount as provided in the FY 20/21 budget in substantially the same form – approximately \$2.740 million.

Why Action is Necessary

Staff has explored financing in completing projects, which include such things as new sidewalks, lighting, landscaping and roadways. At this time Staff is recommending financing of these projects through a bank loan with PNC Bank.

ATTACHMENT(S):

Exhibit 1 – Resolution

Exhibit 2 – Request for Proposal No. FY2010-2020-CRA001 Bank Loan

Exhibit 3 – Resolution No. 2020-009-CRA award of RFP

Exhibit 4 – HBCRA Cost Estimate Matrices