




Florida's Dynamic
Waterfront Community

RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY

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MEMORANDUM

TO: Honorable Chair and Members, CRA Board of Commissioners
City of Riviera Beach, Florida

FROM:  Scott Evans, AICP, Interim Executive Director

DATE: October 22, 2018

CC: Michael Haygood, CRA Attorney

SUBJECT: **Resolution Approving the Issuance of a Redevelopment Note Series 2018 in a Principal Amount not to Exceed \$9,000,000 to Finance the Costs of Certain Redevelopment Projects Located within the Community Redevelopment Area.**

Request for Board Action:

Staff Is Requesting the Board of Commissioners Approve a Resolution for the Issuance of a Redevelopment Note Series 2018 in a Principal Amount Not to Exceed \$9,000,000 to Finance the Costs of Certain Redevelopment Projects Located Within the Community Redevelopment Area. The proposed projects are consistent with the Community Redevelopment Plan.

The CRA will utilize the new funding for Capital Improvements approved but unfunded in the FY 2018/2019 Budget. The projects total \$8.5 million and include the following:

- Property Acquisition & Redevelopment: \$4.0 million
- Phase II Marina Public Elements: \$1.5 million
- Avenue "E" Complete Street Reconstruction: \$2.0 million (CRA contribution)
- Affordable Housing Initiatives: \$1.0 million

Financial Summary:

The CRA's financing capacity and loan structuring were aided by the following professionals:

- Financial Advisor: Joel Tindal, Director, Hilltop Securities (Successor to First Southwest).
- Bond Counsel: Jolinda Herring, Attorney, Bryant Miller Olive

The CRA issued an RFP for Bank Loan proposals for a tax-exempt, bank qualified fixed rate loan on October 2, 2018, and received two proposals on October 18, 2018. The proposals were submitted by Bank United and BB&T (The CRA's existing lender for the Series 2011, 2013A, 2013B notes).

BB&T proposed the lowest interest rates and most favorable terms. The Series 2018 Note is proposed to be issued at an interest rate of 3.77% and will have a final maturity of August 1, 2033. The loan will be

interest only through August 1, 2025, and interest payments will be capitalized through August 1, 2019. Interest only payments will be due 2019 through 2025. The principal payments will begin on August 1, 2026, which aligns the increasing debt payments to begin after all the CRA's existing BB&T debt payments are completed. The CRA will have the option to prepay the loan in total at any time during the life of the loan with a premium of 1% of the principal amount prepaid.

Project Details:

The Agency is actively promoting the redevelopment of the Broadway and Avenue "E" corridors in accordance with the adopted CRA Plan. The projects shown below will further that effort in tandem with the redevelopment efforts directly across the street. The Agency is seeking to make transformational improvements to the busiest intersection in the City to set a new standard for our future development vision for the City and to help attract similar future private development. The proposed acquisition and redevelopment of the building located at 2600 Broadway is shown below:



Property Acquisition and Redevelopment: 2600 Broadway - \$4 million:

The redevelopment of this critical site (shown above) within our Broadway Corridor will provide a significant enhancement to our commercial redevelopment efforts. The Agency will utilize bond proceeds to purchase the property and rehabilitate the site and building. This effort is expected to include new future offices for the CRA, a future small business incubator and office suites, and future ground floor space for private lease.

This project was approved by the CRA Board on August 22, 2018 and will create new construction jobs for the rehabilitation of the property. It will transform a long time vacant structure into an upgraded and active commercial property within the redevelopment area. The purchase of this property is contingent upon the approval of project financing proposed for approval tonight. The final closing of the purchase of the property will occur before November 21, 2018. (A draft concept of the proposed building façade improvements is below)



The proposed development is slated on the corner of Broadway and Blue Heron where the Board has declared the corner a gateway site. Blue Heron Blvd. is the main entrance into the City from I-95, west of the CRA boundaries. The road has an assortment of land uses along the corridor – multifamily and single family housing units, commercial and retail properties. The Citizens’ Master Plan and adopted CRA plan recommend a transformation that is appropriate for the road’s status; the Board has prioritized the CRA resources to reflect this bold vision.

The intersection at Blue Heron & Broadway is one of the busiest and most significant intersections in the CRA. The intersection is the gateway to the Marina District and Singer Island. Charrette participants identified the intersection as Main & Main and believe these four corners should be the most identifiable and important place in the City. As envisioned by the Citizens’ Master Plan and the CRA Plan, transformation of this intersection is underway.

The Agency has approved the concept plans to redevelop the adjacent corner site and block. An updated parking lot, landscaping, painted Cash America property, City entrance fountain and open space will help to transform the Corner. Major improvements to Broadway continue; the CRA is resuming the utility line burial project along Broadway. The site being purchased will feature one of the critical easements for the project. This investment leverages over \$5 million spent by Florida Department of Transportation for new streets, sidewalks and landscaping in the median along Broadway. The investment will also make way for a future FDOT project to add pedestrian lighting to the East side of Broadway providing additional decorative lighting to enhance security, pedestrian safety, and provide additional beautification. It will collectively spark new future development and improve property tax values in the CRA.

Phase II Marina Public Elements: \$1.5 million

The Marina Village Phase Two project will continue the transformation of the City waterfront and pursue the goal to catalyze broader economic development that will create new avenues to opportunity for the City residents. Riviera Beach is ideally positioned to build upon its assets and central location to improve, expand and diversify its economy. The City’s redevelopment efforts strategically position Riviera Beach to maximize its untapped market potential to become regional cross-roads, gateway, destination, employment hub and innovation center. The additional dollars will provide funding for the Phase Two public elements that will be negotiated into the Marina Village Phase II Master Developer agreement and Community Benefits partnership. The CRA Board and City Council will review and approve the future expenditure of these funds.

Avenue “E” Complete Street Reconstruction: \$2.0 million (CRA contribution)

Avenue “E” is west and parallel to Broadway Boulevard. The area holds an assortment of churches, restaurants, automobile and boat repair shops, and essential neighborhood services. The street is active with people walking despite having no sidewalks in most places. This street is very important to the redevelopment of the surrounding neighborhood. The street should continue to be a neighborhood street with a two-way, two lane design. The street should have curb and gutter, on-street parking where appropriate, in partnership with private property owners. The street has a mixed-use land use and zoning, and as buildings are replaced and lots infilled, the building should be mixed-use, offering an array of uses needed to help the neighborhood. Types of uses should be single family, multi-family residential, neighborhood retail, office and services needed to help the neighborhood thrive.

A proper mix of uses can create a synergy in the area. Residential provides homes for workers, commercial provides jobs, and the neighborhood has more local customers. As we promote infill and redevelopment and give the corridor a substantial new look through street reconstruction, the area will become more stable and these elements will work together to help restore health and vitality to a neighborhood. The principles for safe and friendly pedestrian streets should also be followed: buildings situated close to the street, street trees, and ample street furnishings, sidewalks, and bike lanes.

The Avenue “E” Corridor can be transformed over time. The images below from the CRA Plan show a phased series of potential future improvements.

City of Riviera Beach CRA Plan 2011



Existing Condition: Avenue E serves the community with an assortment of services.



Phase 1: To enhance retail and calm traffic, on-street parking, curb, gutter, and sidewalks are added.



Phase 2: A formal alignment of street trees shades pedestrians and gives a sense of space. Phase 1 and Phase 2 are recommended improvements that could be funded by the CRA.



Phase 3: Mixed-use buildings are constructed with facades facing the street. The residential, office, and neighborhood commercial uses complement each other providing places for people to live, work, and shop.

Complete Streets & Neighborhoods

Complete Streets are streets for everyone. They are designed and operated to enable safe access for all users, including pedestrians, bicyclists, motorists and transit riders of all ages and abilities. Complete Streets make it easy to cross the street, walk to shops, and bicycle to work. By adopting a Complete Streets outcome for the Avenue E corridor, the reconstruction of the roadway will make the street network better and safer for drivers, transit users, pedestrians, and bicyclists—making the area a better place to live, and helping to stimulate redevelopment of the adjacent real estate in the corridor.

The funding provided for this project will only represent the CRA's contribution. These dollars can help to develop the construction plans, provide matching dollars for grant funding applications, and provide future partnership dollars for the City and Utility District to cooperatively fund and reconstruct the roadway and buried infrastructure.

Affordable Housing Initiatives: \$1.0 million

The CRA Board has made the implementation of new affordable housing and the improvement of our neighborhoods and existing residential properties a top redevelopment priority. These funds will be reserved for the next significant affordable home project to be implemented in the CRA in 2019.

Recommendation:

Staff recommends approval of the proposed Resolution authorizing the issuance of the Redevelopment Revenue Note, Series 2018 in a principal amount not to exceed \$9,000,000 for the primary purpose of financing the costs of certain redevelopment projects located within the Community Redevelopment Area that are consistent with the Community Redevelopment Plan. The CRA budget is amended accordingly; the interest payments which are due in 2019, will be capitalized by the new debt, and the Agency will budget for the future debt service payments in next fiscal year's budget.

The CRA will utilize the new funding for Capital Improvements approved but unfunded in the FY2018/2019 Budget. The projects total \$8.5 million and include the following:

- Property Acquisition & Redevelopment: \$4.0 million
- Phase II Marina Public Elements: \$1.5 million
- Avenue "E" Complete Street Reconstruction: \$2.0 million (CRA contribution)
- Affordable Housing Initiatives: \$1.0 million

The Agency is seeking to make transformational improvements to Broadway, Avenue "E", and the Marina Village, which will improve taxable values for the entire area, as well as working to bring new affordable housing to our neighborhood improvement efforts.