

RESOLUTION NO. 2011-12

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY (THE AGENCY) APPROVING AN AMENDMENT TO A LOAN AGREEMENT BETWEEN THE AGENCY AND THE CITY OF RIVIERA BEACH (CITY) TO AMEND LOAN TERMS AND PAYMENT SCHEDULE TO THE CITY FOR IMPROVEMENTS TO THE OCEAN MALL PROPERTY AND THE MUNICIPAL BEACH; DIRECTING AND AUTHORIZING THE CHAIRMAN AND EXECUTIVE DIRECTOR TO TAKE SUCH ACTIONS AS SHALL BE NECESSARY AND CONSISTENT TO CARRY OUT THE INTENT AND DESIRE OF THE AGENCY; PROVIDING AN EFFECTIVE DATE.

* * * * *

WHEREAS, the City and Agency entered into a loan agreement dated October 21, 2009, whereby the City agreed to loan certain monies to the Agency in an amount not to exceed \$10.4 million and provided the terms for the repayment of the loan (hereinafter referred to as the "Loan Agreement") for improvements that included infrastructure enhancements in the amount of \$5 million; parking lot improvements in the amount of \$1 million, which is one half the total with the developer paying the other half; \$4.3 million for improvements to the dry sand beach area on the east of the Ocean Mall; and \$100,000 as contingency for any unanticipated fees or increases as may be required; and

WHEREAS, the Agency finds that it is in furtherance of the adopted Community Redevelopment Plan to amend the Loan Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY THAT:

SECTION 1. The Agency hereby approves the attached First Amendment Loan Agreement between the City of Riviera Beach and the Riviera Beach Community Redevelopment Agency.

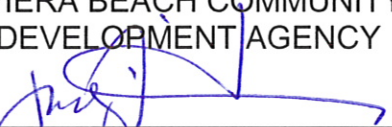
SECTION 2. The Chair and the Executive Director of the Agency, on

behalf of the Agency, are each hereby authorized to take such steps as shall be necessary and proper to carry out the purposes hereof.


SECTION 3. This resolution shall be effective immediately upon its adoption.

PASSED AND ADOPTED this 27 day of April, 2011.

RIVIERA BEACH COMMUNITY
REDEVELOPMENT AGENCY

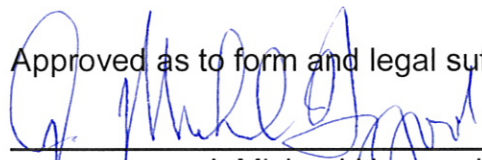
By: 
Name: Judy Davis
Title: Chairperson

ATTEST:



Executive Director

Approved as to form and legal sufficiency



J. Michael Haygood
Date 4/8/2011
Haygood & Harris LLC
General Counsel to CRA

MOTION BY: Dawn S. Pardo

SECONDED BY: Billie E. Brooks

B. BROOKS AYE
D. PARDO AYE
C. THOMAS AYE
S. LOWE AYE
J. DAVIS AYE

FIRST MODIFICATION
TO LOAN AGREEMENT
BETWEEN THE CITY OF RIVIERA BEACH, AS LENDER
AND
RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY, AS BORROWER

THIS FIRST MODIFICATION TO LOAN AGREEMENT made and entered into this 27th of April, 2011, by and between the City of Riviera Beach, a duly created municipal corporation (hereinafter “City”) and the Riviera Beach Community Redevelopment Agency, a body corporate and politic created pursuant to Part III, Chapter 163, Florida Statutes (hereinafter “Agency” or “CRA”).

WITNESSETH:

WHEREAS, the Community Redevelopment Act, Chapter 163, Part III, Florida Statutes, authorizes a governmental entity to loan monies to another governmental entity to carry out the implementation of a community redevelopment plan; and

WHEREAS, the City and Agency entered into a loan agreement dated October 21, 2009, whereby the City agreed to loan certain monies to the Agency in an amount not to exceed \$10.4 million and provided the terms for the repayment of the loan (hereinafter referred to as the “Loan Agreement”) for improvements that included infrastructure enhancements in the amount of \$5 million; parking lot improvements in the amount of \$1 million, which is one half the total with the developer paying the other half; \$4.3 million for improvements to the dry sand beach area on the east of the Ocean Mall; and \$100,000 as contingency for any unanticipated fees or increases as may be required; and

WHEREAS, the City and the Agency are desirous of amending the terms of the Loan Agreement for the repayment of the loan.

NOW, THEREFORE, in consideration of the mutual benefits flowing from each other, the City and the Agency do hereby agree as follows:

Section 1. Article I of the Loan Agreement is deleted in its entirety and the following is substituted therefore:

ARTICLE I

PAYMENTS BY THE AGENCY

1.1 The above recitals are true and hereby made a part of this Agreement.

1.2 (A) The City hereby agrees to loan to the CRA 10.4 million dollars (“Loan Proceeds”), or so much as shall be advanced pursuant to the terms of this agreement at an interest rate of 4.75 % per annum, on a 360-day basis, for the purpose of

funding certain improvements to certain City owned properties commonly known as the Ocean Mall and the Municipal Public Beach (“Improvements”), in furtherance of the adopted community redevelopment plan. On behalf of the CRA, the City shall advance said Loan Proceeds to OMRD, LLC, based upon draw requests from OMRD, LLC, for construction of the Improvements upon the inspection and approval of said request by the City.

(B) The foregoing principal and interest shall be paid by the CRA to the City as follows:

(i) Commencing on October 15, 2009, and continuing through June 30, 2011, all accrued and unpaid interest at 4.75% per annum on so much of the principal as has been paid to OMRD, shall be due and payable by the CRA on June 30, 2011.

(ii). The City has agreed to defer the principal payment for a period of five (5) years commencing July 1, 2011 through June 30, 2016.

(iii) Commencing on July 1, 2011, and continuing through June 30, 2016, the interest on the principal amount paid to OMRD shall be reduced to 2% per annum, and all accrued and unpaid interest shall be payable on an annual basis commencing on July 1, 2012 until June 30, 2016.

(iv) From July 1, 2016, and continuing annually through July 1, 2026, a payment of principal and interest, based on an interest rate of 4.75% per annum, shall be due and payable each July 1, commencing on July 1, 2016 until July 1, 2025 based on a 15 year amortization, attached as Attachment “A”.

(v) Notwithstanding anything to the contrary in this Agreement, a balloon payment of the entire principal balance due, together with accrued and unpaid interest, shall be payable in full on July 1, 2026 (“Maturity Date”).

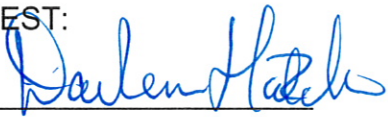
(vi) The CRA may prepay, at any time and its option, the entire balance of the loan without penalty.

Section 2. Except as provided herein, all other terms, conditions and provisions of the Agreement, as herein extended, remain unchanged and are hereby ratified and confirmed.

[Signatures on following page]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

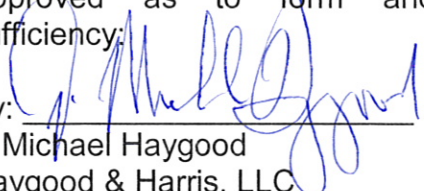
ATTEST:

By: 

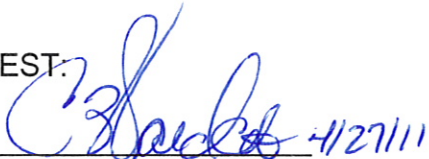
RIVIERA BEACH COMMUNITY
REDEVELOPMENT AGENCY

By: 
Name: Judy L. Davis
Title: Chairperson

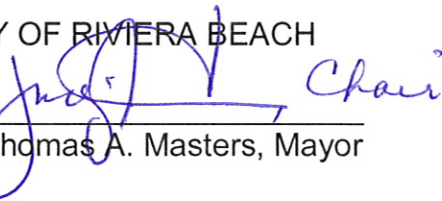
Approved as to form and legal
sufficiency:

By: 
J. Michael Haygood
Haygood & Harris, LLC
CRA General Counsel

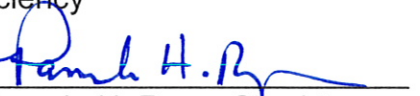
ATTEST:

By:  4127111
Carrie E. Ward
Master Municipal Clerk
City Clerk

CITY OF RIVIERA BEACH

By:  Chair
for Thomas A. Masters, Mayor

Approved as to form and legal
sufficiency

By: 
Pamala H. Ryan, City Attorney

AGGREGATE DEBT SERVICE

Riviera Beach Community Redevelopment Agency
 Capital Improvement Revenue Bonds, Series 2011
 Non BQ Rate as of 3/14/2011
 Preliminary / Subject to Change
 Branch Banking & Trust (Option 1)
 (Delayed Principal)

Period Ending	Capital Improvement Revenue Bonds, Series 2011	City Loan	Wachovia Loan	Aggregate Debt Service
10/01/2011	315,363.33	370,500.00	621,573.86	1,307,437.19
10/01/2012	2,820,308.00	209,372.22	624,593.94	3,654,274.16
10/01/2013	2,820,494.00	208,000.00	627,765.82	3,656,259.82
10/01/2014	2,817,350.00	208,000.00	631,095.44	3,656,445.44
10/01/2015	2,810,876.00	208,000.00	634,591.80	3,653,467.80
10/01/2016	2,806,072.00	208,000.00	638,262.84	3,652,334.84
10/01/2017	2,067,716.00	943,000.00	642,118.34	3,652,834.34
10/01/2018	2,063,220.00	942,672.50	646,165.78	3,652,058.28
10/01/2019	2,061,282.00	942,347.50	650,415.36	3,654,044.86
10/01/2020	2,056,680.00	942,977.50	654,877.72	3,654,535.22
10/01/2021	2,054,414.00	942,467.50	659,563.92	3,656,445.42
10/01/2022	2,049,262.00	942,817.50	664,483.18	3,656,562.68
10/01/2023	2,711,224.00	942,932.50	-	3,654,156.50
10/01/2024	2,710,552.00	942,765.00	-	3,653,317.00
10/01/2025	2,710,218.00	942,267.50	-	3,652,485.50
10/01/2026	-	5,764,392.50	-	5,764,392.50
	34,875,031.33	15,660,512.22	7,695,508.00	58,231,051.55

Note: City Loan amortization is estimated



RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY

BANK OF AMERICA FINANCIAL CENTRE
2001 BROADWAY SUITE 300
RIVIERA BEACH FLORIDA 33404
PHONE: 561-844-3408
FAX: 561-881-8043
WEBSITE: www.rbcra.org

MEMORANDUM

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

FROM: Tony T. Brown, Executive Director, Riviera Beach CRA

DATE: March 30, 2011

CC: Ruth Jones, City Manager, City of Riviera Beach
Pamala Ryan, City Attorney
Michael Haygood, Interim CRA Attorney

SUBJECT: Request to Modify Interlocal Agreement between the City and CRA for \$10.4M OMRD Loan

Request:

The Riviera Beach CRA is requesting modified terms to its obligation to the City of Riviera Beach for debt owed to improve the Ocean Mall and the Municipal Beach Park in an amount not to exceed of \$10.4 million. The original loan agreement dated October 21, 2009 required the CRA to make principal and interest payments to the City commencing on March 31, 2010 in the amount of \$985,100, annually through March 31, 2024 at an annual interest rate of 4.75 percent. The proposed modification to the loan agreement sets three periods for addressing payments of interest and principal.

Construction Period: Commencing on October 15, 2009 and continuing through June 30, 2011, all accrued and unpaid interest on so much of the principal at a rate of 4.75% per annum as has been paid by the City to OMRD calculated on a 360-day basis (Actual/360), shall be due and payable on September 30, 2010 and on June 30, 2011.

Principal Deferment Period: Commencing on July 1, 2011, and continuing through June 30, 2016, the interest on the principal amount advanced, shall be reduced to 2% per annum, and all accrued and unpaid interest shall be payable by the CRA annually each July 1, commencing on July 1, 2012 until June 30, 2016.

Repayment Period: From July 1, 2016, and continuing annually through July 1, 2026, a payment of principal and interest, based on an interest rate of 4.75% per annum and shall be due and payable each July 1, commencing on July 1, 2016 until July 1, 2025 based on a 15 year

amortization. On July 1, 2026, a balloon payment of \$5,764,392 with accrued interest thereon at 4.75% per annum shall be due and payable.

Background:

The City of Riviera Beach committed funds in an amount not to exceed \$10.4 million for payment to OMRD to facilitate the CRA's funding of an economic development project on the City's ocean beachfront. Improvements include water, sewer, and drainage infrastructure improvements, parking improvements, and construction of a new park. The loan terms are documented in a loan agreement between the CRA and the City dated October 21, 2009. The present construction loan balance is \$8,669,845 and is expected to be fully advanced by June 30, 2011 in an amount not to exceed \$10.4 million.

The terms of the original loan agreement dated October 21, 2009 assumed that the funds would have been disbursed in full on a single date to the CRA. Instead, the City disbursed funds on behalf of the CRA to OMRD based upon draw requests from OMRD for construction of the improvements which commenced October 19, 2009 and is expected to be fully disbursed to OMRD by June 30, 2011. The modified loan agreement now defines that interest be calculated based on the actual disbursement dates.

The City is offering the CRA more flexible terms to enhance the CRA's debt capacity, in order to strengthen the CRA's ability to secure greater funding for capital improvements. The proposed "Principal Deferment Period" allows for a temporary suspension of principal payments for a period of five years. However, the CRA has committed to make annual interest payments estimated at \$208,000 at a significantly reduced interest rate of 2% per annum during the 5-year principal deferment period.

CRA Benefits:

The changes in terms will reduce the CRA's annual debt service requirement on its Ocean Mall obligation from \$985,400 to \$208,000 during the 5-year principal deferment period. In addition, the City has agreed to subordinate its loan payment to BB&T which has offered terms to lend the CRA up to \$25.5 million for capital improvements in Marine District South, Broadway West, Port Transition Area and Riviera Beach Heights.

The CRA anticipates increased tax revenues resulting from increased taxes paid by FPL upon completion of the modernization of the power plant in Riviera Beach. The CRA tax increment revenues are expected to increase to an estimated \$8 million commencing in FY 2015. The CRA has agreed to maintain sufficient cash reserves to ensure that interest payments are met through the initial 5-year principal deferment period.

Impact to the City and Benefits:

The original Interlocal Agreement between the City and the CRA was structured to make principal and interest payments on an annual basis commencing March 31, 2010 and to be fully repaid by March 30, 2024. The proposed change in terms will repay the City in full by July 1, 2026, two years later.

Disbursements to OMRD are made from the City's Liability Insurance Trust. In light of how the disbursements are made to OMRD based on draw requests, the original loan agreement should have reflected terms that were customary with construction loans, where interest payments are

calculated based on disbursement dates. The City will earn an estimated \$1.4 million in interest payments as a part replenishment of the fund to be recorded as income from the first disbursement date of October 19, 2009 through July 1, 2016. Over the ten-year repayment period from July 1, 2016 to June 30, 2026, the City will earn an estimated \$3.8 million in interest income, if the loan pays through maturity. The CRA is proposing that a Board restricted debt repayment reserve fund be established in order to set aside interest payments due to the City during the deferment period.

The City and the CRA have collaborated to develop the anticipated issuance of the Capital Improvement Bonds, Series 2011 that will benefit the City's Marina properties under financing terms from BB&T. The CRA proposes to construct a new and state of the art Newcomb Hall and other improvements designed to spark an additional \$75 million in privately funded projects within the Marina District South area as projected by Viking.

Recommendation:

We seek your approval of the modification of terms as outlined above.