

# MEMORANDUM

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

**FROM:** Jonathan Evans, Interim Executive Director, Riviera Beach CRA

**CC:** J. Michael Haygood, General Counsel

**DATE:** September 16, 2020

**SUBJECT: THIRD MODIFICATION TO LOAN AGREEMENT BETWEEN THE CITY  
AND THE CRA RELATING TO OCEAN MALL DEBT**

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## **Request for Board Action**

Staff is seeking the Board of Commissioners approval of a resolution authorizing the modification of the Loan Agreement for the Ocean Mall debt to begin repayment of the existing debt for the 2006-2009 Ocean Mall project. The Item was placed on the Board Agenda on August 5, 2020 but was not taken up as the Board, consensus was to bring back the item during the budget process for consideration. The City Council consensus during budget discussions was to move forward with the proposed amendment.

## **Background**

The CRA and the City entered into a Loan Agreement dated October 9, 2009, (“the Original Loan Agreement,”) which amended and restated certain existing loans and compiled the provisions into the form of a loan agreement.

The City and the Agency entered into a First Modification to the Original Loan Agreement on April 27, 2011, which amended the terms of the Original Loan Agreement the Original Loan Agreement and the First Modification to the Loan Agreement which will be collectively referred to as the (“Loan Agreement.”)

On February 24, 2016, the City and the CRA entered into a Second Modification to the Original Loan Agreement. The Second Modification provided a 0% interest rate for the full term, and deferred all payments until October 1, 2023. The debt was amortized over 15 equal payments of \$679,641 designated to start in the year 2023, and the City’s interest earnings from the original agreement were removed.

**Summary**

The City and the CRA have agreed to modify the Loan Agreement and are desirous of entering into a third amendment to the Loan Agreement to change the date of the previously agreed to repayment schedule to begin payments in the 2020 - 2021 CRA Budget. The amendment will allow the payments to begin in January 2021 and continue each fiscal year. The remaining terms including the 0% interest rate remain unchanged.

**Fiscal/Budget Impact**

If approved, the City will begin to receive annual payments from the CRA in the amount of \$679,461.00. Payments will continue through FY2035. The amount of the debt payment remains unchanged. Of which the City loaned the CRA approximately \$10 million to facilitate development of the Ocean Mall.

**Purpose**

This Loan Agreement Modification will enhance financial stewardship, providing accelerated repayment to the City.

**Recommendation**

The CRA is requesting the Board of Commissioners to approve the Third Modification to Loan Agreement between the City and the CRA.