



AGENDA
US 441&27 COMMUNITY REDEVELOPMENT AGENCY
COMMISSION CHAMBERS, CITY HALL
MONDAY, SEPTEMBER 18, 2017 5:20 PM

1. CALL TO ORDER

Invocation

Pledge of Allegiance to the Flag of the United States of America

2. APPROVE MINUTES:

A. Regular meeting held November 28, 2016

3. RESOLUTIONS:

A. Resolutions approving the amended fiscal year 2016-17 Budget and the Fiscal Year 2017-18 Budget; appropriating certain funds to specific redevelopment projects

1. Resolution approving the Amended Fiscal Year 2016-17 Budget; appropriating certain funds to specific redevelopment projects

2. Resolutions approving the Fiscal Year 2017-18 Budget; appropriating certain funds to specific redevelopment projects

4. ROLL CALL:

5. ADJOURN:

**MINUTES OF THE US HIGHWAY 441 / 27 COMMUNITY
REDEVELOPMENT AGENCY MEETING
MONDAY, NOVEMBER 28, 2016**

The US Highway 441/27 Community Redevelopment Agency held a regular meeting Monday, November 28, 2016. Chairperson Hurley called the meeting to order at 5:16 p.m. with the following members present:

Commissioner Bob Bone
Commissioner John Christian
Commissioner Elise Dennison
Chairperson Jay Hurley

Others present were City Manager (CM) Al Minner, City Clerk (CC) J. Andi Purvis, City Attorney (CA) Fred Morrison, the news media, and others.

Chairperson Hurley Christian gave the invocation followed by the Pledge of Allegiance to the Flag of the United States of America.

**APPROVED MINUTES OF US HIGHWAY 441 / 27 CRA MEETING HELD
SEPTEMBER 12, 2016**

Commissioner Bone moved to approve the minutes of the meeting held September 12, 2016 and Commissioner Christian seconded the motion.

The roll call vote was:

Commissioner Christian	Yes
Commissioner Bone	Yes
Commissioner Dennison	Yes
Chairperson Hurley	Yes

Four yeas, no nays, the Commission approved the minutes.

Commissioner Dan Robuck arrived at 5:23 p.m.

**ADOPTED RESOLUTION 30 ACCEPTING PROPOSAL OF CENTER STATE
BANK OF FLORIDA**

Commissioner Christian introduced the resolution to be read by title only. CC Purvis read the resolution by title only, as follows:

RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY
FOR THE U.S. HIGHWAY 441 & 27 AREA, ACCEPTING THE
PROPOSAL OF CENTERSTATE BANK OF FLORIDA, N.A. TO
PURCHASE THE AGENCY'S NOT EXCEEDING \$13,000,000
PRINCIPAL AMOUNT TAX INCREMENT REVENUE REFUNDING
NOTE, SERIES 2016 THE PROCEEDS OF WHICH WILL BE
APPLIED TO ADVANCE REFUND ALL OF THE AGENCY'S
OUTSTANDING TAX INCREMENT REVENUE BONDS, SERIES
2009; AUTHORIZING THE EXECUTION AND DELIVERY OF A
LOAN AGREEMENT WITH SAID BANK PURSUANT TO WHICH
THE AGENCY WILL ISSUE A 2016 NOTE TO SECURE THE

MINUTES OF THE US HIGHWAY 441 / 27 COMMUNITY REDEVELOPMENT AGENCY
MEETING MONDAY, NOVEMBER 28, 2016

REPAYMENT OF SAID LOAN; PROVIDING FOR THE PAYMENT OF SUCH 2016 NOTE FROM INCREMENT REVENUES AND OTHER PLEDGED AMOUNTS ALL AS PROVIDED IN THE LOAN AGREEMENT; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INTERLOCAL AGREEMENT WITH THE CITY OF LEESBURG; AUTHORIZING THE PROPER OFFICIALS OF THE AGENCY TO DO ANY OTHER ADDITIONAL THINGS DEEMED NECESSARY OR ADVISABLE IN CONNECTION WITH THE EXECUTION OF THE LOAN AGREEMENT, THE 2016 NOTE, AND THE SECURITY THEREFOR; AUTHORIZING THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS IN CONNECTION WITH SAID LOAN; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

Commissioner Christian moved to adopt the resolution and Commissioner Bone seconded the motion.

Chairperson Hurley requested comments from the Commission and the audience.

Commissioner Dennison stated she sees in 2009 that \$14,605,000 was borrowed for this to fund the undergrounding of the electric utility lines along that corridor. We did not do the underground utility lines, but did the above ground because the economy turned south. She asked what happened to all that money.

CM Minner stated as he understands the project in 2009 the city issued the 14 million dollars in debt on the then new 441/27 CRA and essentially that project was designed to do the undergrounding on 441. Some of that work did get completed and then the work was stopped with he believes about 7 million dollars into the project, so we spent about half of the money, and that did the underground work and the big tall lights that you see out on 441 now. When the economy collapsed, the new increment failed because as you know we re-established that increment this year, but in 2009 when that base year was created the new values were below the base line year so there was no increment to fund the CRA, which was projected to be able to cover that then payment. At that time, we spent approximately half of the note, kept the 7 million in proceeds, and paid down the debt with those proceeds. When he came on board in 2013, we started looking at some refinance options for this note and he thinks a lot of credit should go to Bill and his team as they found a very good option for a refinance on this. They are working a negative arbitrage so that we can get out of the recall provision early, but essentially, what the recall provisions provide is a 20-year note; we are reducing the interest rate from about a 4.7 to about 2.7 percent. Of that 7 million we have spent about 4 million over the years paying off the annual debt payments and have about 3 million left so that 3 million is then being applied into the project, into the note to refinance.

Commissioner Dennison questions the 14.6 million borrowed in 2009 and then now borrowing 13 million.

CM Minner stated the par value of the bond is 11.8 million, the accrued interest is \$55,000 and the debt service reserve that we have to set up is just shy under \$600,000

MINUTES OF THE US HIGHWAY 441 / 27 COMMUNITY REDEVELOPMENT AGENCY
MEETING MONDAY, NOVEMBER 28, 2016

and then the construction account is 3.3 million. The total is 15.8 and is 11.8 in debt. The 3.9 million represents what is left of the reserve, the proceeds from the initial issue, so essentially we are reducing the debt from 14 million, which was the initial issue, and refinancing 11 million.

Commissioner Dennison asked what that would now be used for.

CM Minner stated we did that project in 2010, we were unable to fix it, we re-established the increment so that hopefully, the new increments will then as that taxing district now grows, and the increment will hopefully start covering the cost of this note. This note, this Commission did not do this note, but we are stuck with it so we are trying to make lemonade out of this lemon.

Commissioner Dennison asked what we are going to use that money for that we are now refinancing.

CM Minner said it is already spent, that project is half completed and we are trying to minimize the impact that the 441/27 CRA has on the general fund. As it is scheduled now the 441/27 has an impact of between 900, to 1.2 million dollars over the next 20 years in P&I payments and we do not have the general fund revenue to cover that and we knew the proceeds were going to run out in about 2021. That was our long term planning talked about in all our budget workshops, so what this plans does is takes the residual of those 3.9 million dollars, pay down debt, restructure the debt, get the lower interest rate, and then now hopefully bank on that incremental revenue that is starting to grow. This was the first year we saw it, it has been zero since creation, and we reestablished the base year to 2014 or 2015 for the increment and saw \$100,000 in new revenue, so that revenue then can go towards the payment. Right now, we are looking at a \$900,000 debt payment and only talking about \$100,000 in revenue, so we still have the issue, but we do have small growth in that fund and what this does is it ultimately mitigates our cost on interest. Then if that CRA grows, we can then not have to use Gas monies or other general fund revenue monies to offset the cost of this debt.

Commissioner Dennison asked if we are going to finish the rest of the underground electric along 441.

CM Minner stated right now the rest of 441 is not scheduled in the CIP, and in the next few years electric is focused on re-conducting. We are focused on the Dixie project, doing some undergrounding there, and focused on if the State calls to widen 441 between Newell Hill and Perkins; we are trying to refocus our capital for those projects short term. Most of our capital projects are running, trying to keep it around 3 to 6 million dollars in the electric fund, most of that is cash, so we are trying to schedule projects that we think we can afford, get done and pay cash for. He thinks we have to underscore the savings and spend down those proceeds but by doing those proceeds, we are going to save about 6.7 million dollars in interest over the course of the note. If the projections on the increment runs out there is another 5 million dollars in savings that hopefully the general fund will not have to pick up or another enterprise fund.

MINUTES OF THE US HIGHWAY 441 / 27 COMMUNITY REDEVELOPMENT AGENCY
MEETING MONDAY, NOVEMBER 28, 2016

Chairperson Hurley commended Bill and his staff for doing a great job the last couple of years with quite a few refinances that have saved the city a multitude of dollars.

Commissioner Robuck asked about the covenants and the ratio spread.

Finance Director (FD) Bill Spinelli stated the first ratio is 2 and the second one is 1.25.

Commissioner Robuck asked what the driver behind the non-ad valorem revenue is because that seems to fluctuate.

FD Spinelli stated in revenue terms, it is pretty much everything but ad valorem revenue that comes in and then you back out on #2 the essential services, which would mainly be fire and police.

CM Minner when going out to do a general fund note on something that is not a public safety service attached to your ad valorem taxes they want to see that you have the non-ad valorem revenue to support the bond issue or the note issue less your enterprise fund revenues.

Commissioner Robuck asked with Bill leaving, would someone be tracking these covenants.

FD Spinelli stated yes, Finance tracks them on a yearly basis. Anytime there is significant changes in these numbers, they are updated and brought to the Commission. We also have PFM, our financial advisor, who would analysis it as well.

CM Minner stated an annual report is provided to our bond reviewers, the Finance officer, as well as the City Manager who signs off on it.

Commissioner Bone stated he is sorry to see Bill leave, think it says a lot for the job he has done for the city, and staff as well, that he has been able to secure that position with Orlando and wishes him the best.

FD Spinelli stated it was definitely the hardest decision he has had to make. He likes the City of Leesburg and thinks he is leaving it in good shape and with Jim Williams taking over it is going to be a seamless process.

The roll call vote was:

Commissioner Bone	Yes
Commissioner Dennison	Yes
Commissioner Robuck	Yes
Commissioner Christian	Yes
Chairperson Hurley	Yes

Five yeas, no nays, the Commission adopted the resolution.

ROLL CALL:

MINUTES OF THE US HIGHWAY 441 / 27 COMMUNITY REDEVELOPMENT AGENCY
MEETING MONDAY, NOVEMBER 28, 2016

The Commissioners had no other issues to discuss.

ADJOURN:

The meeting adjourned at 5:36 p.m.

Robert Bone, Jr., Chairperson

ATTEST:

J. Andi Purvis
Secretary / City Clerk / Recorder

US HIGHWAY 441/27 COMMUNITY REDEVELOPMENT AGENCY

Item No: 3A

Meeting Date: September 18, 2017

From: Al Minner, City Manager
Brandy McDaniel, Budget Manager

Subject: Resolutions Amending the Budget for Fiscal Year 2016-17 and Adopting the Budget for Fiscal Year 2017-18 for the US Highway 441/27 Community Redevelopment Agency

Staff Recommendation:

Staff recommends approval of the amended budget for fiscal year 2016-17 and the budget for the fiscal year 2017-18 for the US Highway 441/27 Community Redevelopment Agency.

Analysis:

As seen in Attachment A, Fiscal Analysis for the four-year period ending July 31, 2017 there will be approximately \$1,701,914 available that can be carried forward and spent in fiscal year 2017-18. However, most of these funds that are earmarked for debt payments. Attachment B shows that the CRA has a total budget of \$373,181 for fiscal year 2017-18, which is for debt service payments.

Options:

1. Approve the amended budget for fiscal year 2016-17 and the budget for fiscal year 2017-18 for the US Highway 441/27 Community Redevelopment Agency; or
2. Such alternative action as the Commission may deem appropriate.

Fiscal Impact:

The budget is necessary to appropriate funds and complete the activities of the Community Redevelopment Agency.

Submission Date and Time: 9/13/2017 12:14 PM

Department: _____ Prepared by: _____ Attachments: Yes ___ No ___ Advertised: ___ Not Required ___ Dates: _____ Attorney Review: Yes ___ No ___ _____ Revised 6/10/04	Reviewed by: Dept. Head _____ Finance Dept. _____ Deputy C.M. _____ Submitted by: _____ City Manager _____	Account No. _____ Project No. _____ WF No. _____ Budget _____ Available _____
---	--	---

Hwy 441/27 Community Redevelopment Agency
Fiscal Analysis since inception for the period ending on
Fund Balance as of July 31, 2017
Prepared by: Finance Department

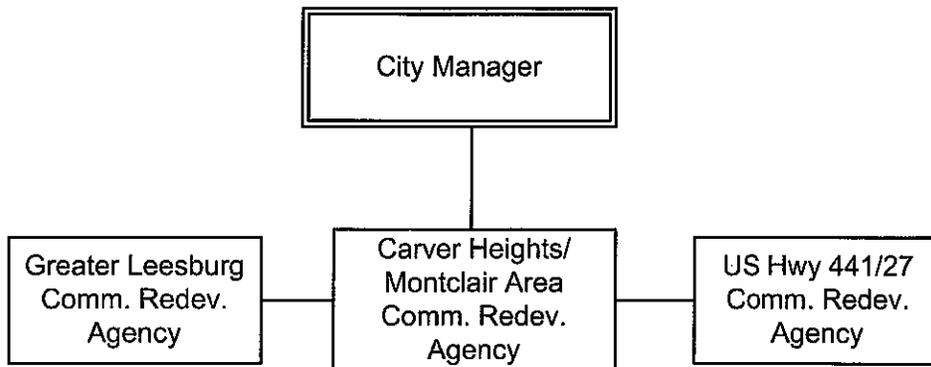
	<u>Total</u>
<u>Fiscal Year 2014-2015:</u>	
Revenues from other agencies	
Interest	31,480.46
Revenue from City (Interfund Transfers In)	
Debt proceeds	0.00
Expenditures	(18,908.73)
Encumbrances	0.00
Transfer to funds	
Sign Grant CRASIG & Landscape incentive	(20,725.00)
Debt Service Costs	(798,556.26)
Excess of revenues over expenditures	<u>(806,709.53)</u>
 Fund Balance as of September 30, 2015	 <u><u>\$ 6,839,070.68</u></u>
<u>Fiscal Year 2015-2016:</u>	
Revenues from other agencies	\$ 46.18
Interest	34,997.30
Revenue from City (Interfund Transfers In)	
Debt proceeds	0.00
Expenditures	(7,277.19)
Encumbrances	0.00
Transfer to funds	
Sign Grant CRASIG & Landscape incentive	(21,600.00)
Debt Service Costs	(904,493.76)
Excess of revenues over expenditures	<u>(898,327.47)</u>
 Fund Balance as of September 30, 2016	 <u><u>\$ 5,940,743.21</u></u>
<u>Fiscal Year 2016-2017:</u>	
Revenues from other agencies	\$ 49,334.04
Interest	15,406.01
Revenue from City (Interfund Transfers In)	41,024.33
Debt proceeds	11,563,000.00
Expenditures	(3,264.99)
Encumbrances	0.00
Transfer to funds	
Sign Grant CRASIG & Landscape incentive	(5,700.00)
Debt Service Costs	(15,898,628.67)
Excess of revenues over expenditures	<u>(4,238,829.28)</u>
 Fund Balance as of July 31, 2017	 <u><u>\$ 1,701,913.93</u></u>
<u>Fiscal Year 2017-18:</u>	
Revenues from other agencies	\$ 192,870.61
Interest	13,778.00
Revenue from City (Interfund Transfers In)	145,985.72
Debt proceeds	0.00
Expenditures	(4,178.00)
Encumbrances	0.00
Transfer to funds	
Sign Grant CRASIG & Landscape incentive	0.00
Debt Service Costs	(369,003.00)
Excess of revenues over expenditures	<u>(20,546.67)</u>
 Fund Balance as of September 30, 2018	 <u><u>\$ 1,681,367.26</u></u>

Description

The City of Leesburg created the U.S. Highway 441/27 Redevelopment Agency on February 13, 2006 (Ordinance 06-13). A Trust Fund was created to receive CRA proceeds on May 22, 2006 (Ordinance 06-45) and is effective for 30 years. The fund generates a majority of its annual income from tax increment revenues. The base year was established as 2005 with an assessed taxable value of \$352,255,087. The CRA is part of the City's plan to improve conditions within the U.S. 441/27 corridor areas. The boundaries of the CRA are generally described as ½ mile on both sides of U.S. 27 from MLK Boulevard to C.R. 48, and U.S. 441 from C.R. 473 on the east to U.S. 27 on the west. The agency determined the existence of blighted areas, noted the infrastructure improvements that contributed to the decline, and will make improvements utilizing available funds.

The U.S. Highway 441/27 CRA was expanded in December 2015 by 106 acres and 46 properties. In addition, the CRA was extended by 30 years to 2045. The base year was revised for all properties, both the original and expanded to 2015.

Organization Chart:



Total
Department
Budget

\$ 373,181

**US Highway
441/27
CRA Fund**

Revenue Sources & Appropriations

**Revenue
Sources &
Appropriations**

	ACTUAL 2014-15	ACTUAL 2015-16	ADOPTED 2016-17	ADOPTED 2017-18
<u>REVENUE SOURCES</u>				
Taxes	0	0	45,013	145,986
Intergovernmental Revenue	0	0	65,276	199,638
Miscellaneous Revenue	31,481	35,043	0	27,557
Other Sources	0	0	843,606	0
TOTAL REVENUE SOURCES	31,481	35,043	953,895	373,181
<u>APPROPRIATIONS</u>				
Economic Development	838,190	933,371	953,895	373,181
TOTAL APPROPRIATIONS	838,190	933,371	953,895	373,181

Revenue Detail

US Highway
441/27
CRA Fund

	ACTUAL 2014-15	ACTUAL 2015-16	ADOPTED 2016-17	ADOPTED 2017-18
<u>TAXES</u>				
33101 Current Property Taxes	0	0	45,013	145,986
TOTAL TAXES	0	0	45,013	145,986
<u>INTERGOVERNMENTAL REVENUES</u>				
33731 Lake County/Redevelopment	0	0	65,276	199,638
TOTAL INTERGOVERNMENTAL	0	0	65,276	199,638
<u>MISCELLANEOUS REVENUES</u>				
36110 Interest on Investments	26,149	49,134	0	13,778
36130 Gain/Loss Investment	5,332	(14,137)	0	13,779
36906 Misc Reimbursement	0	46	0	0
TOTAL MISCELLANEOUS	31,481	35,043	0	27,557
<u>OTHER SOURCES</u>				
38891 Fund Balance Appropriated	0	0	244,864	0
38891 Fund Balance Appropriated Debt	0	0	598,742	0
TOTAL OTHER SOURCES	0	0	843,606	0
TOTAL RESOURCES	31,481	35,043	953,895	373,181

Revenue
Detail

**US Highway
441/27
CRA Fund**

Appropriations Detail

Account # 018-6191-559

**Appropriations
Detail**

	ACTUAL 2014-15	ACTUAL 2015-16	ADOPTED 2016-17	ADOPTED 2017-18
<u>OPERATING EXPENSES</u>				
31xx Professional Services	15,098	4,476	0	0
4510 Insurance	2,626	2,626	2,626	2,678
4625 Repairs & Maintenance-Non-Built	0	0	0	1,500
4920 Other Current Charges	175	175	0	0
4980 Taxes	1,010	0	0	0
TOTAL OPERATING EXPENSES	18,909	7,277	2,626	4,178
<u>DEBT SERVICE</u>				
71xx Principal	125,000	235,000	240,000	70,000
72xx Interest	672,481	668,419	660,194	297,928
73xx Issue Costs	1,075	1,075	1,075	1,075
TOTAL DEBT SERVICE	798,556	904,494	901,269	369,003
<u>GRANTS AND AIDS</u>				
8211 Matching Grants	20,725	21,600	50,000	0
TOTAL GRANTS AND AIDS	20,725	21,600	50,000	0
<u>OTHER USES</u>				
9910 Reserve for Future	0	0	0	0
TOTAL OTHER USES	0	0	0	0
TOTAL APPROPRIATIONS	838,190	933,371	953,895	373,181

Appropriations Summary

	ADOPTED 2016-17	ADOPTED 2017-18	INCREASE/ (DECREASE)	PERCENTAGE
Operating Expenses	2,626	4,178	1,552	59.10%
Debt Service	901,269	369,003	(532,266)	-59.06%
Grants and Aids	50,000	0	(50,000)	-100.00%
Other Uses	0	0	0	0.00%
TOTALS	953,895	373,181	(580,714)	-60.88%

**US Highway
441/27
CRA Fund**

**Appropriations
Summary**

RESOLUTION NO. _____

RESOLUTION OF THE US HIGHWAY 441/27 COMMUNITY REDEVELOPMENT AGENCY OF LEESBURG, FLORIDA, APPROVING THE AMENDED FISCAL YEAR 2016-17 BUDGET; APPROPRIATING CERTAIN FUNDS TO SPECIFIC REDEVELOPMENT PROJECTS; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE US HIGHWAY 441/27 COMMUNITY REDEVELOPMENT AGENCY:

THAT the Amended Fiscal Year 2016-17 Budget, is hereby adopted and ratified;

THAT the following appropriations from the Redevelopment Trust Fund are made for specific redevelopment projects to be completed within three (3) years:

Amounts available for carryover approximating \$1,701,914 for debt service and grant programs of the US Highway 441/27 Community Redevelopment Agency.

THAT this resolution shall become effective immediately.

PASSED AND ADOPTED by the US Highway 441/27 Community Redevelopment Agency of Leesburg, Florida, at a regular meeting held the ____ day of September, 2017.

Robert Bone, Jr., Chairperson

ATTEST:

Secretary/City Clerk

RESOLUTION NO. _____

RESOLUTION OF THE US HIGHWAY 441/27 COMMUNITY REDEVELOPMENT AGENCY OF LEESBURG, FLORIDA, APPROVING THE FISCAL YEAR 2017-18 BUDGET; APPROPRIATING CERTAIN FUNDS TO SPECIFIC REDEVELOPMENT PROJECTS; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE US HIGHWAY 441/27 COMMUNITY REDEVELOPMENT AGENCY:

THAT the Fiscal Year 2017-18 Budget, is hereby adopted and ratified;

THAT this resolution shall become effective immediately.

PASSED AND ADOPTED by the US Highway 441/27 Community Redevelopment Agency of Leesburg, Florida, at a regular meeting held the _____ day of September 2017.

Robert Bone, Jr., Chairperson

ATTEST:

Secretary / City Clerk