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DATE: May 7, 2025
TO: CRA Chairman, Vice Chair and Board Members
FROM: Suzette Sibble, Assistant City Manager 
THROUGH: Greg Harrison, CRA Executive Director
RE: Tax Increment Revenue Bonds (Northwest District Area) for the
Downtown Project

On June 20, 2024, the City Commission and CRA (the “Agency”) Board approved a Master Development Agreement (MDA) with RP Pompano LLC (an affiliate of RocaPoint Partners, LLC) to serve as the Master Developer for the new Downtown to manage and deliver a turn key project for the City and CRA. As part of the MDA, the City Commission and CRA Board approved the issuance of Tax Increment Bonds by the Pompano Beach Community Redevelopment Agency in order to raise proceeds needed to fund the infrastructure (drainage, roadways, pedestrian bridges etc.) for the Downtown. This agenda item authorizes the issuance of the Pompano Beach Community Redevelopment Agency’s Tax Increment Revenue Bonds (Northwest District Area), which will be secured by a pledge of the existing tax increment revenues relating to the Northwest District Area. Project costs to be financed is approximately \$64 million. The supplemental resolution requests authorization to issue a not to exceed amount of \$75 million in order to accommodate any debt service reserve and costs of issuance (bond counsel, financial advisor, etc.) that may be required to market and sell the bonds. The bond documents were prepared by Holland and Knight serving in the capacity of bond and disclosure counsel for the Agency. Bond counsel's role is to prepare the required financing documents and provide a legal opinion on the bonds tax status and validity.

Once the design for the infrastructure is complete, the Agency will obtain a rating from a nationally recognized rating agency. This rating will provide a framework for the interest rate the Agency will obtain for the bonds. The bonds will ultimately be offered as a public offering through an underwriter who sells the bonds on the Agency's behalf to investors. The amount issued would be financed with a final maturity of 2049. It is anticipated that the average interest rate on the bonds would be approximately 5.2% with maximum annual debt service of \$6.7M, subject to market conditions at time of sale. Total debt service over the financing term, including interest is estimated at \$134M. See Attachment 2 for preliminary debt service schedule. The Northwest CRA District has sufficient annual tax increment revenue being generated today to cover the anticipated annual debt service for the bonds through maturity. (see Northwest District Projections at Attachment 3).

The drainage infrastructure (linear waterway system) is an integral component of the Downtown master plan. Not only does it serve as an amenity for the project, but the installation of the infrastructure will enhance the value of the pads owned by the Agency in the Downtown resulting in higher sale proceeds. Installation of the infrastructure by the Agency will also accelerate the timeline for the development of each pad (residential, hotel, office, retail etc.) by the private sector.

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Bond Documents Summary

The Pompano Beach Community Redevelopment Agency (the “Agency”) desires to fund all or a portion of the following project (the “Additional Redevelopment Plan Project”), which is included in the Agency’s Redevelopment Plan for the Northwest District Area: (i) the NW 6th Avenue beautification project to improve the aesthetics of the roadway from Atlantic Boulevard to NW 15th Street, which includes, without limitation, demolition of three roundabouts and replacement with raised brick paver intersections, replacement of worn and dilapidated utility boxes, replacement of street lighting with LED lamps, milling, sealing, striping and repaving the public roadway, landscaping the public right of way areas and constructing a public parking lot on Agency-owned property for Annie Adderly Gillis Park [note that the inclusion of this project is merely a mechanism to reimburse the Northwest CRA District for costs incurred for this project whereby these proceeds may be utilized for the Northwest District for additional land acquisitions within the downtown redevelopment area] and (ii) various public infrastructure and related improvements in furtherance of the master development plan for the downtown area in the City of Pompano Beach, Florida (the “City”), including, without limitation, public roadways and alleys, pedestrian bridges, grading public property for future use for public projects, public open space, parks and other common areas, upgrades to the existing drainage system, improvements to existing water and sewer mains, signage, traffic signal modifications and realignment of existing traffic signals, subject to further determination as to which components of the Additional Redevelopment Project are eligible to be funded on a tax-exempt basis and to modification as permitted by the Master Resolution (hereinafter defined), as supplemented by the Supplemental Resolution (hereinafter defined).

In connection with the Additional Redevelopment Project, the Agency plans to issue its Tax Increment Revenue Bonds (Northwest District Area) (collectively, the “Authorized Additional Bonds”) from time to time, in one or more Series, in an aggregate original principal amount not exceeding \$75,000,000 (exclusive of original issue discount and original issue premium). This amount includes the anticipated cost of the Additional Redevelopment Plan Project, estimated costs of issuance of the Authorized Additional Bonds, and the estimated amount to fund capitalized interest, if any, and/or a debt service reserve, if any.

The Authorized Additional Bonds will be issued pursuant to Resolution No. 2022-20 adopted by the Agency on June 28, 2022 (the “Master Resolution” – Attachment 1), as supplemented by a supplemental bond resolution (the “Supplemental Resolution”), as described below, to be adopted by the Agency. The additional bonds test set forth in the Master Resolution must be met as a condition to the issuance of each Series of the Authorized Additional Bonds.

As required by applicable law, the adoption of the Supplemental Resolution and the issuance of the Authorized Additional Bonds must be approved by resolution (the “City Resolution”) of the City, as described below. Notice of the proposed adoption of the Supplemental Resolution and the City Resolution, respectively, has been provided by mail and publication as required by applicable law.

All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Master Resolution and the Supplemental Resolution.

Supplemental Resolution

Among other matters, the Supplemental Resolution provides for:

- The issuance, from time to time, of the Authorized Additional Bonds in one or more Series and as Additional Bonds under the Master Resolution.
- The application of the proceeds of each Series of the Authorized Additional Bonds, together with other legally available funds, to finance and/or refinance all or a portion of the Costs of the Additional Redevelopment Project.
- The delegated negotiated sale of each Series of the Authorized Additional Bonds, subject to the Parameters specified in the Supplemental Resolution (which include the not to exceed aggregate principal amount set forth above), to an underwriter or underwriters selected pursuant to the Supplemental Resolution.
- The execution (where applicable) and delivery, with respect to each Series of the Authorized Additional Bonds, of the following documents, in substantially the forms attached to the Supplemental Resolution:

Exhibit A – Form of Authorized Additional Bonds (part of Supplemental Resolution).

Exhibit B – Form of Bond Purchase Contract (to provide for the sale by the Agency to the Underwriter of a Series of Authorized Additional Bonds, subject to the Parameters specified in the Supplemental Resolution).

Exhibit C – Form of Preliminary Official Statement (to be used to market each Series of Authorized Additional Bonds and to become a final Official Statement reflecting the final pricing details in the related Bond Purchase Contract, subject to the Parameters specified in the Supplemental Resolution).

Exhibit D – Form of Continuing Disclosure Certificate (requiring the Agency to provide annual updates of certain financial and operating data in the final Official Statement for a Series of Authorized Additional Bonds and notice of certain specified material events, all as required by applicable federal securities laws).

- Determining the details of each Series of Authorized Additional Bonds, subject to the Parameters specified in the Supplemental Resolution, including the respective dates of the negotiated sale and issuance of each Series, the maturity dates, the interest rates per annum and the redemption provisions of each Series, whether to provide for capitalized interest and/or the funding of a reserve account subaccount for a Series, whether to obtain a municipal bond insurance for all or a portion of a Series and/or a Reserve Product for a Series secured by a reserve subaccount, the components of the Additional Redevelopment Project to be financed and refinanced by such Series, and whether such Series shall be issued as Tax Exempt Bonds or Taxable Bonds, although it is currently anticipated that each Series of the Authorized Additional Bonds will be issued as Tax Exempt Bonds.

Nothing in the Supplemental Resolution requires the Authorized Additional Bonds to be issued in more than one Series.

City Resolution

As the governing body that created the CRA, the City Commission is required to approve bond issuances of the CRA and the City resolution will be considered at the City Commission meeting on May 14th. This resolution, generally, approves the issuance by the Agency of the Authorized Additional Bonds within the Parameters set forth in the Supplemental Resolution and approves the adoption by the Agency of the Supplemental Resolution. See Exhibit E.

Attachments
Exhibits