

**COMMUNITY REDEVELOPMENT AGENCY (CRA)
OFFICIAL AGENDA
May 23, 2018 5:00 p.m.**

**Municipal Administration Building
Commission Chambers
201 W. Central Avenue
Lake Wales, FL 33853**

1. AGENDA ITEMS
2. ROLL CALL
3. RESOLUTION 2018-01, Approval Of The Amendment Of The Interest Rate On Its Outstanding Redevelopment Revenue Note, Series 2007.

Approval of the Amendment of the Interest Rate on its Outstanding
Redevelopment Revenue Note, Series 2007.

Documents:

[000 - MEMO - AMENDING INTEREST RATE - SERIES 2007 - CRA.PDF](#)
[002 - RESOLUTION - AMENDING INTEREST RATE - CRA.PDF](#)

4. Acceptance Of Promissory Note For Deferred Payment Upon Sale Of Parcel 12, Lake Wales Park Of Business And Technology, Formerly Longleaf Business Park
The owner of Parcel 12 in the former Longleaf Business Park has requested that the payment of the deferred amount due to the CRA upon the sale of the property be satisfied by acceptance of a promissory note payable over ten years.

Documents:

[MEMO PROMISSORY NOTE LOT 12.PDF](#)

5. Extension Of Option For Purchase Of Parcels 4, 5, 6, And 7
Robert Richard has requested an extension of the option to purchase the referenced parcels in the former Longleaf Business Park, now the Lake Wales Park of Technology and Commerce.

Documents:

[MEMO PURCHASE OPTION EXTENSION.PDF](#)

6. PRESENTATION - Affordable Housing, Watson & Wells
7. EXECUTIVE DIRECTOR'S REPORT
8. COMMUNICATIONS AND PETITIONS
Public participation is encouraged. If you are addressing the Commission, step to the podium and state your name and address for the record. Please limit your discussions to five (5) minutes.

Note: The full staff memo will be incorporated into the official record

Minutes of the CRA meeting can be obtained from the City Clerk's Office. The minutes are recorded, but are not transcribed verbatim. Persons requiring a verbatim transcript may make arrangements with the City Clerk to duplicate the recording, or arrange to have a court reporter present at the meeting. The cost of duplication and/or court reporter will be the expense of the requesting party.

Persons who wish to appeal any decision made by the CRA Board with respect to any matter considered during this meeting will need a record of the proceedings, and for such purpose may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is based.

In accordance with Section 286.26, Florida Statutes, persons with disabilities needing special accommodations to participate in this meeting should contact the office of the City Clerk no later than 5:00 p.m. on the day prior to the meeting.

MEMORANDUM

May 23, 2018

TO: Honorable Chair and Board of Commissioners

VIA: Kenneth Fields, Executive Director of the Lake Wales
Community Redevelopment Agency

FROM: Dorothy Ecklund, City of Lake Wales Finance Director

RE: Resolutions No. 2018-01, Approval of the Amendment of the Interest Rate on its
Outstanding Redevelopment Revenue Note, Series 2007.

SYNOPSIS: *Approval of the Amendment of the Interest Rate on its Outstanding
Redevelopment Revenue Note, Series 2007.*

RECOMMENDATION

It is recommended that the CRA Board approve the amendment of the interest rate to 4.3362% on its outstanding Redevelopment Revenue Note, Series 2007, effective April 1, 2018.

BACKGROUND

The CRA approved a \$9,500,000 Note issued on December 24, 2007 to Bank of America (the "Bank"). The current outstanding principal amount is \$5,572,674.50. The Note provides that it shall bear interest at a rate of 3.7735% until its maturity date of October 1, 2027 so long as the maximum corporate tax rate is 35%. It further provides that in the event of a change in the maximum corporate tax rate, the Bank shall have the right to adjust such interest rate in order to maintain the same after-tax yield.

The maximum corporate tax rate was recently lowered from 35% to 21% and the Bank has adjusted the interest rate on the Note to 4.5862% (81.27 basis point increase = \$240,255 increase over the remaining term of the Note). Through negotiation, City staff and the Bank have proposed an interest rate of 4.3362% (56.27 basis point increase = \$166,347 over the remaining term of Note).

OTHER OPTIONS

Do not approve the proposed interest rate of 4.3362%, and the Bank's new interest rate shall be 4.5862%.

FISCAL IMPACT

The reduction in the interest rate from 4.5862% to 4.3362% would be a savings to the CRA of \$73,908 over the remaining term of Note.

ATTACHMENTS

Resolution 2018-01

RESOLUTION NO. CRA 2018-01

A RESOLUTION OF THE LAKE WALES COMMUNITY REDEVELOPMENT AGENCY AUTHORIZING THE AMENDMENT OF THE INTEREST RATE ON ITS OUTSTANDING REDEVELOPMENT REVENUE NOTE, SERIES 2007, PURSUANT TO THE CONSENT OF BANK OF AMERICA IN ACCORDANCE WITH RESOLUTION NO. 2018-16 OF THE CITY OF LAKE WALES, FLORIDA, AS SUPPLEMENTED; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE LAKE WALES COMMUNITY REDEVELOPMENT AGENCY (the "Board"), that:

SECTION 1. *Definitions.* All capitalized undefined terms used herein shall have the meaning assigned thereto in the City Resolution as defined herein.

SECTION 2. *Findings.* It is hereby ascertained, determined and declared:

(A) Pursuant to Resolution No. 2007-15 adopted by the City Commission of the City of Lake Wales, Florida (the "City") on June 19, 2007, as supplemented (the "City Resolution"), the City has previously authorized the issuance by the Lake Wales Community Redevelopment Agency (the "Agency") of its Lake Wales Community Redevelopment Agency Redevelopment Revenue Note, Series 2007 (the "Note"); and

(B) The Agency approved the Note pursuant to its Resolution No. CRA 2007-02 adopted on December 18, 2007 and issued such Note on December 24, 2007 to the Bank of America (the "Bank") which currently holds the Note in the outstanding principal amount of \$5,572,674.50.

(C) The Note provides that it shall bear interest at a rate of 3.7735% until its maturity date of October 1, 2027 so long as the maximum corporate tax rate is 35%. It further provides that in the event of a change in the maximum corporate tax rate, the Bank shall have the right to adjust such interest rate in order to maintain the same after-tax yield.

(D) The maximum corporate tax rate was recently lowered from 35% to 21% and the Bank has notified the Agency that the interest rate on the Note shall be adjusted to 4.5862%. After negotiation, the Agency and the Bank have agreed that the interest rate on the Note shall be adjusted to equal 4.3362% effective April 1, 2018 until maturity.

(F) A First Amendment to Note shall be executed by the Agency that amends the interest rate on the Note to equal 4.3362% effective April 1, 2018 and provides that no other term of the Note is amended.

(H) In consideration of the acceptance of the First Amendment to the Note authorized to be issued hereunder by those who shall be the Owners thereof from time to time, this Resolution shall constitute a contract between the Agency and the Owners.

SECTION 3. Terms of the First Amendment to Note.

The First Amendment to the Note shall be issued in substantially the form attached hereto as Exhibit A.

SECTION 4: Authorizations. The Chair and any member of the Agency, the Mayor, the Clerk, the City Manager, the City Attorney and such other officials and employees of the Agency and the City as may be designated by the Agency are each designated as agents of the Agency in connection with the issuance and delivery of the Note and are authorized and empowered, collectively or individually, to take all action and steps, to make such representations and certificates, and to execute all instruments, documents, and contracts on behalf of the Agency that are necessary or desirable in connection with the execution and delivery of the Note, and which are specifically authorized or are not inconsistent with the terms and provisions of this Resolution and the City Resolution.

SECTION 5: Members of the Agency Exempt from Personal Liability. No recourse under or upon any obligation, covenant or agreement of this Resolution or the Note or for any claim based thereon or otherwise in respect thereof, shall be had against any member of the City Commission in such capacity or as the governing body of the Agency, past, present or future, either directly or through the City or the Agency it being expressly understood (a) that no personal liability whatsoever shall attach to, or is or shall be incurred by, the members of the governing body, as such, under or by reason of the obligations, covenants or agreements contained in this Resolution or implied therefrom, and (b) that any and all such personal liability, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such member, as such, are waived and released as a condition of, and as a consideration for, the execution of this Resolution and the issuance of the Note, on the part of the Agency.

SECTION 6. Ratification. The provisions and terms and conditions of the Resolution are hereby ratified, confirmed and approved. All prior resolutions of the Agency inconsistent with the provisions of this Resolution are hereby amended and supplemented to conform with the provisions herein contained and, except as otherwise amended and supplemented hereby, shall remain in full force and effect.

SECTION 7. Effective Date. The provisions of this Resolution shall take effect immediately upon its passage.

Duly Adopted by the Lake Wales Community Redevelopment Agency this 23rd day of May, 2018.

LAKE WALES COMMUNITY
REDEVELOPMENT AGENCY

Chairman

ATTEST:

City Clerk

EXHIBIT A

Form of First Amendment to the Note

LAKE WALES COMMUNITY REDEVELOPMENT AGENCY
FIRST AMENDMENT TO REDEVELOPMENT REVENUE NOTE, SERIES 2007

WHEREAS, the Lake Wales Community Redevelopment Agency (the "Issuer"), for value received, delivered to Bank of America (the "Lender"), its Redevelopment Revenue Note, Series 2007 (the "Note") on December 24, 2007, with a maturity date of October 1, 2027, in the principal amount of not to exceed \$9,500,000 which is subject to annual amortization payments and is currently outstanding in the principal amount of \$5,572,674.50. The Lender currently holds the Note; and

WHEREAS, pursuant to a resolution of the Issuer adopted on June 5, 2018, the Issuer and the Lender now desire to amend the Note to bear interest at the rate of 4.3362% effective April 2, 2018 to maturity;

WHEREAS, an opinion of Bond Counsel to the effect that such amendment will not adversely affect the tax exempt status of the Note was delivered herewith.

NOW, THEREFORE, the interest rate on the Note is hereby amended to equal 4.3362% effective April 2, 2018. All other terms of the Note remain unchanged.

IN WITNESS WHEREOF, the Lake Wales Community Redevelopment Agency and Bank of America have entered into this First Amendment to Note effective this __ day of June, 2018.

[SEAL]

LAKE WALES COMMUNITY
REDEVELOPMENT AGENCY

Chairman

ATTEST AND COUNTERSIGNED:

City Clerk

BANK OF AMERICA

By: _____

Name:

Title:

MEMORANDUM

DATE: May 23, 2018

TO: Chair and Members of the Community Redevelopment Agency Board

VIA:

FROM: Kenneth Fields, Executive Director

RE: Acceptance of Promissory Note for Deferred Payment Upon Sale of Parcel 12, Lake Wales Park of Business and Technology, formerly Longleaf Business Park

SYNOPSIS

The owner of Parcel 12 in the former Longleaf Business Park has requested that the payment of the deferred amount due to the CRA upon the sale of the property be satisfied by acceptance of a promissory note payable over ten years.

RECOMMENDATION

It is recommended that the CRA accept the promissory note as satisfaction of the deferred payment to allow the sale of the subject property to proceed. It is further recommended that the City Attorney prepare the necessary documents to be included in the closing of the sale.

BACKGROUND

When the City of Lake Wales Community Redevelopment Agency sold Lot 12 in the then Longleaf Business Park in 2004, it allowed a portion of the sales price, One Hundred Seventeen Thousand Three Hundred Dollars (\$117,300.00) to be deferred until such time as the property was sold as an inducement to development of the property. The purchaser, Joseph Miranda, agreed to build a speculative building on the parcel to attract tenants to the business park, which he proceeded to do. As no tenant was ever secured to occupy the space, however, the building was never completed.

Mr. Miranda now has the opportunity to sell the parcel and uncompleted building to a purchaser (Robert Richard) who intends to finish the building and relocate an existing business into it. In addition to increasing the value of the property by completion of the building, the proposed sale will also potentially result in ten to twenty new jobs being created in the City. The sale will also create an on-site presence for Mr. Richard, the owner of the other undeveloped parcels in the now renamed Lake Wales Park of Technology and Commerce which should aid in the development of these parcels.

To facilitate the sale, Mr. Miranda and Mr. Richard have requested that a promissory note satisfy the deferred payment due the CRA with equal payments made over a ten year term without interest. There was no interest due on the original deferred payment.

OTHER OPTIONS

The CRA could elect not to accept the promissory note in lieu of the deferred payment due.

FISCAL IMPACT

Since the building on Parcel 12 was never completed, the parcel is currently taxed as vacant land. The sale of the parcel and completion of the building should result in a significant increase in ad valorem tax revenue from the parcel. Payment of the deferred amount over time instead of as a lump sum should have no negative impact on the CRA.

ATTACHMENTS

MEMORANDUM

DATE: May 23, 2018

TO: Chairman and Members of the Community Redevelopment Agency Board

VIA:

FROM: Kenneth Fields, Executive Director

RE: Extension of Option for Purchase of Parcels 4, 5, 6, and 7

SYNOPSIS

Robert Richard has requested an extension of the option to purchase the referenced parcels in the former Longleaf Business Park, now the Lake Wales Park of Technology and Commerce.

RECOMMENDATION

It is recommended that the option to purchase the remaining CRA owned lots in the Lake Wales Park of Technology and Commerce be extended an additional twelve months.

BACKGROUND

In November 2016 Mr. Robert Richard purchased Lots 13, 14, 15, 16, 17, 20, 21, 22, and 23 in the then named Longleaf Business Park from the City's Community Redevelopment Agency. At that time, he also was granted an option to purchase Lots 4, 5, 6, and 7. The option period was eighteen months from the date of closing on the purchased parcels and expired on May 15th. Mr. Richard has now requested an additional twelve month extension of the option period, since he is now in the process of purchasing Parcel 12 from Joseph Miranda. After that purchase, Mr. Richard intends to move his existing business to the renamed Lake Wales Park of Technology and Commerce which should facilitate his marketing of the remaining undeveloped parcels. His exercising of the purchase option would make him the sole owner of all undeveloped parcels in the park and eliminate the City's involvement.

OTHER OPTIONS

If the option is not granted, the City could attempt to market the parcels to others.

FISCAL IMPACT

There is no fiscal impact from extending the purchase option.

ATTACHMENTS