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CRA Loan Refinancing Plan

At the July CRA Board meeting, Staff presented the FY2018 Adjusted Budget. Within that presentation, staff introduced a plan to explore options for refinancing its current debt. Since that meeting, staff has met with the Budget and Finance Department to thoroughly assess those options. The agencies current debt consists of the Commerce Building Note (\$220,439.26), West University Avenue Lofts Note (\$267,309.32), FAPS (\$260,413.89), Courthouse Parking (\$786,018.70), Eastside Tackle Box (\$174,329.83), College Park (\$464,879.60), and the CRA Building (\$478,037.88). The Commerce Building and the West University Avenue Lofts were loans from the City's General Fund. Savings to the CRA from refinancing these loans would have a commensurate impact on budgeted General Fund revenues. The FAPS, Courthouse Parking, Eastside, and College Park Loans were financed as portions of larger General Government debt issues that provided resources for a suite of multi-departmental projects, with the debt service associated with the CRA projects passed on to the respective tax increment funds. The City has since refunded those loans at lower interest rates and can pass the proportionate share of those savings on the appropriate tax increment funds. The CRA Office Building was financed through a private institution and they are not in a position to offer any refinancing options at this time.

The interest rates on the FAPS, Courthouse Parking, Eastside, and College Park loans will decrease from 4%-6.7% to 2.30%-2.36%. The debt service savings in total will be \$136,125.10.

CRA Executive Director to CRA Board: Approve the CRA Executive Director to move forward to amend the financing documents between the City and the CRA related to the existing FAPS, Courthouse Parking, Eastside, and College Park loans.