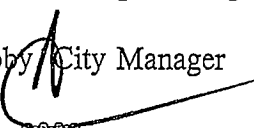


COMMITTEE MEMORANDUM

Item #3

FOR DISCUSSION

COMMITTEE: Community Redevelopment Agency
FROM: Alvin G. Coby  City Manager
DATE: September 8, 2009
SUBJECT: Maritime Park - Expenses To Date

Per City Council's request, provided below is a summary of expenses to-date on the Maritime Park.

Local Option Sales Tax expenses relate to the mitigation project, Pre-Bond expenses are those soft costs that CMPA has requested funding within their approved budget and will be deducted from bond proceeds, and CRA expenses are those expenses that are expected to be paid from the CRA operating budget that relate to the legal and professional fees in drafting the final development documents.

	FY07	FY08	FY09 (Aug)	Total
LOST - 8yr		\$ 64,104	\$332,499	\$ 396,603
Pre-Bond	\$531,140	1,157,536	471,335	2,160,011
CRA	2,114	79,669	309,664	391,447

Of the \$391,447 expenses charged to CRA, approximately \$264,562 is related to professional fees in drafting documents. The remaining charges are a portion of the salary of the loan executive to the CMPA, lobbying costs and legal fees that are related but not directly connected to the Maritime Park bonds.

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The following is a summary of all of the professional services expenses for FY 2009 through August, 2009 associated with the Community Maritime Park that have been incurred by the CRA on behalf of the CMPA.

Abramson & Associates, Inc.	\$ 152,812
Vezina, Lawrence & Piscitelli, PA	89,046
Cardwell Law Firm	14,633
Florida Legal Transactions	5,259
Chicago Title Insurance Co.	2,205
Miscellaneous Communications, Recording Fees	<u>607</u>
Sub-total	<u>264,562</u>
Normandy Group	19,302
Lott & Associates *	17,500
RBC Capital Markets Corporation *	7,500
Akerman Senterfitt & Edison *	<u>800</u>
Total FY2009 Expenses (as of August 2009)	<u>\$309,664</u>

* Related to the Bond Issue

The City Manager had previously communicated to CRA and City Council that the original estimate of \$50,000 for professional fees would be exceeded and later verbally communicated that those expenses were in excess of \$100,000. With the execution of the Master Development Agreement, the professionals hired to oversee the process have completed their obligation to the City. Professional fees related to drafting agreements are considered capital expenditures of the project, and if desired, CRA can be reimbursed with bond proceeds. If expenditures are reimbursed, the bond proceeds available as of August 31, 2009 to the CMPA for future project development is \$37,575,427 (\$40,000,000-bond proceeds; minus \$2,160,011-CMPA expenditures to date; minus \$264,562-CRA professional fees to date.)

In addition to the costs incurred by the CRA to date, there will be future costs to include:

- Costs associated with the revision to the ECUA and the CRA/City Interlocal Agreement of approximately \$25,000 to be paid by the CRA.
- Issuance costs related to the issuance of bond for project financing most or all of which can/will be absorbed as part of the issue.

- Costs associated with the New Market Tax Credits. Council approved sharing initial expenditures for administrative costs of \$10,000 and perhaps as much as \$40,000 for consultation fees with the University of West Florida. In addition, the City itself will incur legal consultation fees that will exceed \$25,000. Provided that New Market Tax Credits are secured, the costs will be absorbed as part of the issue; however, should the credits not be secured, the CRA must absorb the costs.

- Under Section 13.02 of the Master Lease “Lessor also agrees to the extent permitted by law, contract or covenants to waive its normal and customary fees for the construction of the Public Improvements, and to assist lessee in the negotiation of reduced fees with Escambia County and the Emerald Coast Utilities Authority”. Hence, the CRA will be billed for the following waived City services over a period of two years:
 - Engineering - \$150,000
 - Inspections - 40,250
 - Tree Ordinance - Unknown