



City of Eustis

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TO: EUSTIS CITY COMMISSION

FROM: TOM CARRINO, CITY MANAGER

DATE: OCTOBER 23, 2025

RE: RESOLUTION NUMBER 25-75: REFINANCING OF CRA COMMUNITY
REDEVELOPMENT LOAN FOR 3 DOWNTOWN LOTS

Introduction:

The City's Community Redevelopment Fund (CRA) loan obtained to acquire the three (3) downtown lots known as the "Waterman Site" came due on September 4, 2025. Upon maturity, the loan balloon payment was paid off with the cash in the bank used as collateral for the loan, leaving a remaining balance of \$2,415,777.15 to be refinanced.

Background:

On September 20, 2020, a loan was issued to the CRA for the three downtown lots by United Southern Bank (USB) in the amount of \$3,000,000. The loan was issued for 5 years, with a balloon payment due at the end of 5 years. The loan was collateralized with cash which allows the City to sell the property at any time if it is so desired.

On August 7, 2025, the CRA Board held a workshop to discuss refinancing options. Due to the significant increase in loan interest rates since 2020, it was determined that the City's General Fund would internally finance the remaining CRA balance of \$2.4 million. With the future use of the lots still unknown, this type of arrangement allows for flexible terms, easy refinancing ability, no collateral, a favorable interest rate, no prepayment fees or closing costs and the ability to structure the loan on any terms approved by the CRA Board.

After discussing several proposed options, the CRA Board directed staff to move forward with internal loan documents. The terms of the loan are fifteen (15) year simple interest, with an interest rate of 2.875%, the same rate as the previous loan. The monthly loan payment will be \$16,538.07. The previous monthly payment was \$16,512.37. The loan will be paid off in October of 2040. The CRA currently sunsets in 2047 assuming no changes are made at the legislative level before then.

Recommended Action:

Approve Resolution Number 25-75 authorizing the General Fund to issue a loan in the amount of \$2,415,777.15, with an interest rate of 2.875% with a fifteen (15) year term. Monthly payments will be \$16,538.07. The CRA would be able to easily meet the annual debt service payments.

Prepared by:

Lori Carr, Finance Director

Reviewed by:

Mari Leisen, Deputy Finance Director

Attachments:

CRA Loan Amortization Schedule

CRA Loan Documents