



## STAFF REPORT

Regular Commission Meeting

December 12, 2024

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**To:** Elected Officials

**From:** Dale L. Martin, City Manager

**Date:** December 12, 2024

**Item Name:** Resolution 2024-69. A Resolution of the City Commission of the City of Flagler Beach, Florida, authorizing a loan from Regions Capital Advantage, Inc. in an aggregate principal amount of not to exceed \$21,000,000 for the purpose of providing financing for the repair and replacement of damaged portions of the Flagler Beach Fishing Pier as described herein; approving the form of and authorizing the execution and delivery of a loan agreement; authorizing the execution and delivery of the City of Flagler Beach, Florida Capital Improvement Non-Ad Valorem Revenue Note, Series 2024 to evidence the City's obligations under the loan agreement, such note to be a limited obligation of the City, payable from legally available non-ad valorem revenues budgeted, appropriated and deposited into the City's Debt Service Fund; providing for the rights and securities of the owner of the note; making certain other covenants and agreements in connection therewith; providing for severability; and providing for an effective date.

**Background:** The City's Pier was initially damaged during Hurricane Matthew (2016) and then again during Hurricanes Ian and Nicole (2022). The subsequent damage was sufficient enough to warrant the permanent closure of the Pier beyond the Ocean Rescue Headquarters facility. In August, 2022, the City retained Moffett & Nichol as the primary consultant for design engineering services to demolish and reconstruct the Pier.

The Federal Emergency Management Agency (FEMA) has determined that the demolition and reconstruction (the "Project") is eligible for federal disaster funding (Stafford Act). Additionally, the State of Florida, through the Department of Emergency Management (DEM) and the Department of Environmental Protection (DEP) will provide supplemental funding to fully fund the cost of the Project (estimated cost: \$18 million). The federal and state funding, however, is a reimbursement: the City will be required to fund the demolition and construction activities initially before costs are recovered.

The City has engaged Hilltop Securities (Mr. Joel Tindal will attend the meeting to provide additional background) to assist the City in soliciting bank proposals for a short-term line-of-credit for costs associated with the Project.

**Fiscal Impact:** The proposed line-of-credit through Regions Capital Advantage is not to exceed \$21 million for a period not to exceed three years. The interest rate is variable and described in the attached documents (interest will only accrue on the loan funds utilized). Applications to the State for reimbursement are anticipated to be submitted monthly.

**Staff Recommendation:** Staff recommends approval of Resolution 2024-69.

**Attachments:** Resolution 2024-69  
Proposed Loan Agreement