



Legislation Text

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Resolution Authorizing Issuance of the First Florida Governmental Financing Commission Improvement and Refunding Bonds, Series 2007 (B)

The City Commission adopt the proposed resolution.

This agenda item involves adoption of a resolution authorizing the City's participation in the issuance of the First Florida Governmental Financing Commission Improvement and Refunding Bonds, Series 2007.

As part of the City's FY2007-FY2011 Capital Improvement Plan adopted by the City Commission during the FY2007 & FY2008 budget proves, the City Commission approved the issuance of debt to provide a portion of the funding for the roadway and reconstruction work scheduled be done on SW2nd Avenue. While it is anticipated that the entire \$1.5 million in proceeds will be necessary to complete the SW2nd Avenue project, the resolution and related bond documents have been prepared such that any unused funds can be utilized on other city capital projects. The proposed financing method is a fixed rate borrowing through the First Florida Governmental Financing Commission (FFGFC). The borrowing would be similar to transactions executed by the City through FFGFC in the past. FFGFC is a consortium of Florida cities and counties, created pursuant to Florida statutes through an interlocal agreement in 1985. Its specific purpose is to enable a limited number of participating governmental units, who regularly undertake projects requiring significant debt financing and who have substantially similar credit worthiness and a high investment grade rating by nationally recognized rating agencies, to benefit from the economies of scale associated with larger financings. In addition to Gainesville, FFGFC's current members are Broward County and the cities of St. Petersburg, Sarasota, Boca Raton and Hollywood.

The proposed resolution authorizes the City to enter into a loan agreement with the FFGFC, and authorizes the Mayor, Clerk, City Manager, Administrative Services Director and Finance Director to execute documents required by the FFGFC as a prerequisite to making the loan, subject to the approval of the city Attorney as to form and legality. The FFGFC will issue its revenue bonds to provide the funds.