



Legislation Text

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2010 CAPITAL IMPROVEMENT REVENUE BONDS (B)

A RESOLUTION OF THE CITY OF GAINESVILLE, FLORIDA, AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$5,300,000 IN AN AGGREGATE PRINCIPAL AMOUNT OF CITY OF GAINESVILLE, FLORIDA CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2010 FOR THE PURPOSE OF FINANCING THE COSTS OF CONSTRUCTING, REFURBISHING, RENOVATING AND EQUIPPING OF VARIOUS CAPITAL PROJECTS AT THE IRONWOOD GOLF COURSE, ONE-STOP HOMELESS SHELTER AND CERTAIN OTHER CAPITAL PROJECTS IN THE CITY OF GAINESVILLE AND PAYING OTHER COSTS NECESSARY OR INCIDENTAL THERETO; PROVIDING FOR THE PAYMENT OF SUCH BONDS FROM LEGALLY AVAILABLE NON-AD VALOREM REVENUES OF THE CITY WHICH ARE BUDGETED AND APPROPRIATED BY THE CITY ON AN ANNUAL BASIS AND DEPOSITED INTO THE DEBT SERVICE FUND CREATED HEREUNDER FOR SUCH BONDS; PROVIDING FOR THE RIGHTS AND REMEDIES OF THE HOLDERS THEREOF, AND MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING AN EFFECTIVE DATE; AND PROVIDING CERTAIN OTHER DETAILS.

The City Commission: 1) adopt the proposed Resolution authorizing issuance of the 2010 Capital Improvement Revenue Bonds; 2) authorize the City Manager, Administrative Services director, and Finance Director to retain the required professional services to execute the proposed bond issue; and 3) authorize the Mayor, Clerk of the Commission, City Attorney, City Manager, Administrative Services Director, and Finance Director to execute documents required to close the proposed bond issue.

CITY MANAGER MEMORANDUM

During last summer's FY10 budget update the City Commission approved the issuance of debt to fund approximately \$1.2M in capital improvements to the City-owned Ironwood Golf Course. Staff is recommending that a portion of the costs associated with the site acquisition and construction of the proposed One Stop Homeless Assistance Center be included in this borrowing. In addition, staff is recommending the inclusion of \$300,000 in the proposed borrowing to cover the cost of LED metering for City traffic signals bringing the total issuance size to approximately \$4,100,000. The proposed resolution authorizes the issuance of this debt.

Given the relatively small size of the proposed borrowing, and the potential issues related to acquiring bond insurance for such a financing, staff is evaluating all options for accessing the capital markets, from a bank loan to a traditional public offering. The method selected will be that which provides the best overall rate, most flexible debt structuring, and lowest issuance costs available at the time of issuance.

This Resolution authorizes the issuance of Capital Improvement Revenue Bonds in an aggregate principal amount not in excess of \$5,300,000, payable from a covenant to budget and appropriate Non-Ad Valorem Revenues of the City. The Bonds shall not be a general indebtedness or pledge of the full faith and credit of the City, but shall be payable from budgeted and appropriated Non-Ad Valorem Revenues. Proceeds from the Bonds will be used to finance the acquisition and installation of LED metering equipment for traffic signals and constructing, refurbishing, renovating and equipping of the Ironwood Golf Course and One-Stop Homeless Shelter.

Fiscal note: Debt service costs for the Ironwood Golf Course renovations will be paid through incremental course revenues resulting from increased rounds played and greens fee increases associated with the improvements, as well as capital surcharge fees. Funding for debt service costs related to the One Stop Homeless Assistance Center will come from funds currently appropriated for One Stop Homeless Center operating costs. The debt service attributable to the LED metering will be paid from the energy savings associated with the change to LED signals.