

Legislation Details (With Text)

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File created:	6/15/2017		In control:	City Commission	
On agenda:	7/11/2017		Final action:	7/11/2017	
Title:	A RESOLUTION OF THE CITY OF POMPANO BEACH, FLORIDA, INDICATING THE OFFICIAL INTENT OF THE CITY TO CAUSE TO BE ISSUED CERTIFICATES OF PARTICIPATION EVIDENCING UNDIVIDED PROPORTIONATE INTERESTS OF THE OWNERS THEREOF IN BASIC RENT PAYMENTS TO BE MADE BY THE CITY, AS LESSEE, PURSUANT TO A LEASE-PURCHASE AGREEMENT WITH THE POMPANO BEACH FINANCE CORPORATION, AS LESSOR, TO FINANCE CERTAIN COSTS OF ACQUISITION, CONSTRUCTION, EQUIPPING AND INSTALLATION OF A PUBLIC PIER AT THE PUBLIC BEACH WITHIN THE CITY AND VARIOUS RELATED PUBLIC IMPROVEMENTS AND TO CAUSE A PORTION OF THE PROCEEDS OF SUCH CERTIFICATES OF PARTICIPATION TO BE APPLIED TO REIMBURSE EXPENDITURES PAID OR INCURRED PRIOR TO THE DATE OF ISSUANCE THEREOF, IN THE EVENT GENERAL OBLIGATION BONDS OF THE CITY ARE NOT ISSUED FOR THAT PURPOSE; PROVIDING FOR CONFLICTS; PROVIDING FOR AN EFFECTIVE DATE. (Fiscal Impact: N/A)				

Sponsors:

Indexes:

Code sections:

Attachments: 1. City Attorneys Comm #2017-760, 2. 2017-244 - Resolution

Date	Ver.	Action By	Action	Result
7/11/2017	1	City Commission	ADOPTED	Pass

A RESOLUTION OF THE CITY OF POMPANO BEACH, FLORIDA, INDICATING THE OFFICIAL INTENT OF THE CITY TO CAUSE TO BE ISSUED CERTIFICATES OF PARTICIPATION EVIDENCING UNDIVIDED PROPORTIONATE INTERESTS OF THE OWNERS THEREOF IN BASIC RENT PAYMENTS TO BE MADE BY THE CITY, AS LESSEE, PURSUANT TO A LEASE-PURCHASE AGREEMENT WITH THE POMPANO BEACH FINANCE CORPORATION, AS LESSOR, TO FINANCE CERTAIN COSTS OF ACQUISITION, CONSTRUCTION, EQUIPPING AND INSTALLATION OF A PUBLIC PIER AT THE PUBLIC BEACH WITHIN THE CITY AND VARIOUS RELATED PUBLIC IMPROVEMENTS AND TO CAUSE A PORTION OF THE PROCEEDS OF SUCH CERTIFICATES OF PARTICIPATION TO BE APPLIED TO REIMBURSE EXPENDITURES PAID OR INCURRED PRIOR TO THE DATE OF ISSUANCE THEREOF, IN THE EVENT GENERAL OBLIGATION BONDS OF THE CITY ARE NOT ISSUED FOR THAT PURPOSE; PROVIDING FOR CONFLICTS; PROVIDING FOR AN EFFECTIVE DATE.

(Fiscal Impact: N/A)

(Staff Contact: Andrew Jean-Pierre)

Summary Explanation/Background:

The passage of this resolution will provide for flexibility to allow the City to seek reimbursement for project expenditures incurred prior to proposed debt issuance, to finance capital improvement projects, with any proposed debt issuance being subject to City Commission approval at a future City Commission meeting. The City is contemplating two (2) separate possible financing mechanisms in the future, to finance certain capital improvement projects (particularly the

pier replacement and Elks Lodge property acquisition projects-collectively, the projects). Staff will be proposing in the fall of 2017, that the City Commission consider approving a General Obligation Bond (GO Bond) Referendum for March 2018 to ask the City's voters to approve GO Bonds to accomplish raising the funds necessary to finance these capital improvements, among other capital project initiatives. Should the proposed GO Bond Referendum not pass, then an alternative financing mechanism to be considered is a lease purchase financing structure referred to as Certificates of Participation (COPs). The City plans on utilizing General Fund reserve funds to provide for initial funding for these projects to get underway and Internal Revenue Service (IRS) guidelines mandate that the governing body of the City formalize its intent to potentially utilize COPs proceeds to reimburse the City for the project costs incurred prior to debt issuance. IRS regulations allows for reimbursement from debt proceeds of project expenditures incurred 60 days prior to the adoption of a Reimbursement Resolution by the City Commission. The Pier replacement project has already started to incur expenditures, hence the importance of getting this Reimbursement Resolution in place now.

It should be noted that the passage of this Reimbursement Resolution by the City Commission does not authorize the issuance of COPs. Should staff determine that the issuance of COPs is a viable mechanism to finance the project costs, then related financing documents would be brought back to the City Commission for consideration in the future. Failure to pass this resolution will prevent the City from having the flexibility to obtain reimbursement of project costs incurred prior to the actual issuance of COPs obligations. Should it not become necessary to issue COPs or should the City Commission fail to approve the issuance of COPs obligations in the future then the passage of this resolution will not have any impact.

Origin of request for this action: Finance Department

Fiscal impact and source of funding: N/A