



Cover Memorandum/Staff Report

File #: 25-540

Agenda Date: 5/6/2025

Item #: 6.I.

TO: Mayor and Commissioners
FROM: Henry M. Dachowitz, Chief Financial Officer
THROUGH: Terrence R. Moore, ICMA-CM
DATE: May 6, 2025

RESOLUTION NO. 90-25: A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF DELRAY BEACH, FLORIDA DECLARING THE CITY'S OFFICIAL INTENT TO SEEK REIMBURSEMENT FOR CERTAIN PAST AND FUTURE CAPITAL EXPENDITURES INCURRED IN CONNECTION WITH THE RENOVATION AND IMPROVEMENTS TO THE CITY'S MUNICIPAL GOLF COURSE, WHICH CAPITAL PROJECT WILL BE FINANCED BY REVENUE BONDS OR NOTES SECURED BY THE CITY'S COVENANT TO BUDGET AND APPROPRIATE CERTAIN NON-AD VALOREM REVENUES ISSUED FROM TIME TO TIME IN A TOTAL PRINCIPAL AMOUNT OF NOT EXCEEDING \$40,000,000

Recommended Action:

Approve the resolution of the City Commission of the City Of Delray Beach, Florida declaring The City's official intent to seek reimbursement for certain past and future capital expenditures incurred in connection with the renovation and improvements to the City's municipal golf course, which capital project will be financed by revenue bonds or notes secured by the City's covenant to budget and appropriate certain non-ad valorem revenues issued from time to time in a total principal amount of not exceeding \$40,000,000.

Background:

The City of Delray Beach, Florida (the "City") owns an 18-hole municipal golf course and related facilities (collectively, the "Golf Course"); and it has been determined by the City that certain improvements and renovations to the Golf Course are necessary and in the best interest of the users of the Golf Course and in order to make such improvements and renovations it will be necessary to issue its revenue bonds/notes secured by its covenant to budget and appropriate non-ad valorem revenues (herein, collectively, "Revenue Bonds").

The City proposes to issue such Revenue Bonds in one or more series not exceeding \$40,000,000 in principal amount to finance all or a portion of the costs of such capital improvements to the Golf Course; and it is intended by the City that the interest on the Revenue Bonds will be excludable from gross income for federal income tax purposes.

The City has incurred or will incur certain preliminary expenditures ("Preliminary Expenditures") not exceeding 20% of the anticipated par amount of Revenue Bonds relating to such capital improvements to the Golf Course; and City has also incurred and anticipates that it will incur certain capital expenditures ("Capital Expenditures") relating to such capital improvements prior to the

closing of the Revenue Bonds which Preliminary Expenditures and Capital Expenditures will initially be paid from the general operating funds and/or the Golf Course enterprise funds of the City or other available funds prior to its intended reimbursement from the proceeds of the Revenue Bonds.

The Internal Revenue Code of 1986, as amended and applicable regulations (the “Regulations”) require the City to declare its official intent in connection with incurring certain Capital Expenditures in connection with the capital improvements prior to the issuance of the Revenue Bonds in order to allow the City to be reimbursed for such expenditures from a portion of the proceeds of the Revenue Bonds; and it is intended by the City Commission that this Resolution constitutes such official intent with respect to the reimbursement of certain Capital Expenditures relating to the capital improvements incurred or to be incurred prior to the closing of the Revenue Bonds.

City Attorney Review:

Approved as to form and legal sufficiency.

Funding Source/Financial Impact:

N/A

Time Sensitive:

N/A