



Cover Memorandum/Staff Report

File #: 25-539

Agenda Date: 5/6/2025

Item #: 6.H.

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

RESOLUTION NO. 89-25: 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 CERTAIN CAPITAL IMPROVEMENTS TO THE CITY'S STORMWATER MANAGEMENT AND CONTROL SYSTEM, WHICH CAPITAL PROJECTS WILL BE FINANCED BY STORMWATER REVENUE BONDS OR NOTES ISSUED FROM TIME TO TIME IN A TOTAL PRINCIPAL AMOUNT OF NOT EXCEEDING \$60,000,000,

Recommended Action:

To approve Resolution No. 89-25 whereby the City Commission of the City Of Delray Beach, Florida, declares its official intent to seek reimbursement for certain past and future capital expenditures incurred in connection with certain capital improvements to the City's stormwater management and control system, which capital projects will be financed by special assessment bonds or notes secured by the levy and collection of special assessments issued from time to time in a total principal amount of not exceeding \$60,000,000.

Background:

The City of Delray Beach, Florida (the "City") owns a stormwater management and control system (the "Stormwater System"); and it has been determined by the City that certain additions, extensions and improvements to the Stormwater System are necessary and in the best interest of the users of the Stormwater System and in order to make such additions, extensions and improvements it will be necessary to issue its special assessment bonds/notes secured by a pledge of special assessments levied and collected in accordance with applicable Florida law (herein, collectively, "Special Assessment Bonds").

The City proposes to issue such Special Assessment Bonds in one or more series not exceeding \$60,000,000 in principal amount to finance all or a portion of the costs of such capital improvements to the Stormwater System; and it is intended by the City that the interest on the Special Assessment 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 Special Assessment Bonds relating to such capital improvements to the Stormwater System; and the 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 Special Assessment Bonds which Preliminary Expenditures and Capital Expenditures will initially be paid from the general operating funds and/or from special assessments available from the Stormwater System enterprise funds of the City or other available funds prior to its

intended reimbursement from the proceeds of the Special Assessment 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 Special Assessment Bonds to allow the City to be reimbursed for such expenditures from a portion of the proceeds of the Special Assessment Bonds.

It is intended by the City Commission of the City 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 Special Assessment Bonds.

City Attorney Review:

Approved as to form and legal sufficiency.

Funding Source/Financial Impact:

N/A

Time Sensitive:

N/A