

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, AS DESCRIBED HEREIN SECURED BY THE LEVY AND COLLECTION OF SPECIAL ASSESSMENTS AND OTHER LEGALLY AVAILABLE NON-AD VALOREM REVENUES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Delray Beach, Florida (the "City") owns a stormwater management and control system (the "Stormwater System"); and

WHEREAS, 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 stormwater revenue bonds/notes secured by a pledge of special assessments levied and collected in accordance with applicable Florida law and other legally available non-ad valorem revenues (herein, collectively, "Stormwater Revenue Bonds"); and

WHEREAS, the City proposes to issue such Stormwater Revenue 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

WHEREAS, it is intended by the City that the interest on the Stormwater Revenue Bonds will be excludable from gross income for federal income tax purposes; and

WHEREAS, the City has incurred or will incur certain preliminary expenditures ("Preliminary Expenditures") not exceeding 20% of the anticipated par amount of Stormwater Revenue Bonds relating to such capital improvements to the Stormwater System; and

WHEREAS, 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 Stormwater Revenue 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 Stormwater Revenue Bonds; and

WHEREAS, 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 Stormwater Revenue Bonds in order to allow the City to be reimbursed for such expenditures from a portion of the proceeds of the Stormwater Revenue Bonds; and

WHEREAS, it is intended by the City Commission of the City (the “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 Stormwater Revenue Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF DELRAY BEACH, FLORIDA:

Section 1: The recitals set forth above are adopted by the Commission as the findings of the City and are incorporated herein.

Section 2: The statements contained in this Resolution with respect to the reimbursement of the Preliminary Expenditures and Capital Expenditures referred to in this Resolution are intended to be statements of official intent as required by, and in conformance with, the provisions of Section 1.150-2(e) of the Regulations.

Section 3: The expenditures to be reimbursed pursuant to this Resolution will be incurred prior and subsequent to the date hereof and prior to the closing of the Stormwater Revenue Bonds of the related series in connection with the capital improvements relating to the Stormwater System. The Capital Expenditures to be reimbursed pursuant to this Resolution have and will be incurred prior and subsequent to the date hereof, provided that the earliest date is not more than sixty (60) days prior to the date of adoption of this Resolution.

Section 4: The maximum principal amount of the portion of the Stormwater Revenue Bonds that may be issued for the capital improvements to the Stormwater System shall not exceed \$60,000,000, unless such principal amount shall be increased by subsequent proceedings of the City. The Stormwater Revenue Bonds are to be secured by special assessments levied against property that derives special benefit from the operation and maintenance of the Stormwater System and from a pledge of, or covenant to budget and appropriate, certain other legally available non-ad valorem revenues.

Section 5: The Commission reasonably expects to reimburse the expenditures contemplated under this Resolution with a portion of the proceeds of the Stormwater Revenue Bonds of the City subsequent to the date hereof, and no funds from sources other than the “reimbursement bond issue” (as such term has the meaning assigned to it under the Regulations) portion of the Stormwater Revenue Bonds are, or are reasonably expected to be reserved, allocated on a long term basis, or otherwise set aside by the City pursuant to the City’s budget or financial policies to pay for such expenditures.

Section 6: The City will, upon receipt of the proceeds of the Stormwater Revenue Bonds of each series (or within 30 days thereof), allocate in writing the amount of proceeds of such Stormwater Revenue Bonds (i.e., the reimbursement bond issue) used to reimburse the prior Preliminary Expenditures and Capital Expenditures incurred in connection with the capital improvements to the Stormwater System (herein, the “Prior Expenditures”). Such allocation will

be accomplished within the later of 18 months from the earliest date such Prior Expenditures were incurred or the date the particular components of the capital improvements to the Stormwater System are placed in service (but in no event later than 3 years after the first Prior Expenditures were made).

Section 7: This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED in regular session on the _____ day of _____, 2025.

ATTEST:

Alexis Givings, City Clerk

Thomas F. Carney, Jr., Mayor

Approved as to form and legal sufficiency:

Lynn Gelin, City Attorney