

## 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, AS DESCRIBED HEREIN; AND PROVIDING AN EFFECTIVE DATE.

**WHEREAS**, the City of Delray Beach, Florida (the "City") owns an 18-hole municipal golf course and related facilities (collectively, the "Golf Course"); and

**WHEREAS**, 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"); and

**WHEREAS**, 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

**WHEREAS**, it is intended by the City that the interest on the 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 Revenue Bonds relating to such capital improvements to the Golf Course; 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 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; 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 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

**WHEREAS**, 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.

**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 Revenue Bonds of the related series in connection with the capital improvements relating to the Golf Course. 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 Revenue Bonds that may be issued for the capital improvements to the Golf Course shall not exceed \$40,000,000, unless such principal amount shall be increased by subsequent proceedings of the City. The Revenue Bonds are to be secured by a covenant to budget and appropriate 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 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 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 Revenue Bonds of each series (or within 30 days thereof), allocate in writing the amount of proceeds of such 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 Golf Course (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 Golf Course 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:

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Alexis Givings, City Clerk

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Thomas F. Carney, Jr., Mayor

Approved as to form and legal sufficiency:

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Lynn Gelin, City Attorney