



**City of Coral Gables
CITY COMMISSION MEETING
September 22, 2009**

ITEM TITLE:

Resolution authorizing the negotiation of two loans in an aggregate principal amount not to exceed \$6,200,000 from the Sunshine State Governmental Financing Commission for the purpose of acquiring, constructing and erecting certain capital improvements; approving the execution and delivery of a loan agreement(s); providing for the repayment of such loan from certain legally available non-ad valorem revenues of the City of Coral Gables, Florida; delegating to the Mayor the authority to determine the final terms of the loan(s); providing certain other matters in connection with the making of such loan; and providing an effective date.

RECOMMENDATION OF THE CITY MANAGER:

Approval.

BRIEF HISTORY:

The first loan is for the principal amount of \$2,635,000 to finance the cost to dredge the Coral Gables Waterway (C3 Canal). This loan will be amortized over a period of ten (10) years at a fixed annual interest rate of 3.98% with an annual principal and semi-annual interest payment of \$325,456. The total estimated cost to dredge the Coral Gables Waterway is \$4,810,000. This project will be funded with an approved State grant of \$2,200,000 and the net loan proceeds of \$2,610,000 (after closing cost of \$25,000) from the Sunshine State Governmental Financing Commission.

The second loan is for the principal amount of \$3,525,000 to finance a portion of the \$5.9 million construction cost for the Coral Gables Museum. This loan will be amortized over a period of ten (10) years at a fixed annual interest rate of 3.98% with an annual principal and semi-annual interest payment of \$436,074. This is a bridge loan to fund the cost of construction in advance of the receipt of donations and other funds.

The total outstanding debt of the City for 2009-2010 will be \$64,827,472 including these two new loans in the principal amount of \$6,160,000. The total annual principal and interest debt service of \$6,947,811 represents 5% of the total operating and debt service budget.

FINANCIAL INFORMATION: (If Applicable)

| No. | Amount | Account No. | Source of Funds |
|--------|-----------|--------------|-------------------------|
| 1. | \$325,456 | | Stormwater Utility Fund |
| 2. | \$436,074 | | Debt Service Fund |
| Total: | \$761,530 | APPROVED BY: | <i>Donald S. Niles</i> |

APPROVED BY:

| Department Director | City Attorney (If Applicable) | City Manager |
|------------------------|-------------------------------|---------------------|
| <i>Donald S. Niles</i> | <i>Clay</i> | <i>V. Pothabano</i> |

ATTACHMENT(S):

1. Proposed Resolution
2. Loan Amortization Schedules
3. Recommendation Letter
4. Term Sheet