



City of Coral Gables
CITY COMMISSION MEETING
October 14, 2014

H-1

ITEM TITLE:

A resolution of the City of Coral Gables, Florida authorizing the negotiation of a loan in an amount not to exceed \$25,000,000 from the Sunshine State Governmental Financing Commission; to finance certain capital improvements within the City of Coral Gables; approving the execution and delivery of one or more loan agreements; establishing the Borrower's intent to reimburse certain capital project costs incurred with proceeds of future tax-exempt financing or other obligations; providing certain other matters in connection with the making of such Loans.

DEPARTMENT HEAD RECOMMENDATION:

Approval.

BRIEF HISTORY:

The City is in the process of financing the costs of capital improvements to Miracle Mile and Giralda Avenue and surrounding areas, consisting, in part, of the following types of improvements:

- (1) **Miracle Mile-** Widening of the pedestrian area, installing extensive gardens and landscaping, installing decorative street lighting, constructing drainage improvements and constructing new and cohesive surfaces.
- (2) **Giralda Avenue-** Removing curbs, installing street pavers, installing landscaping, installing decorative street lighting, constructing drainage improvements and constructing new and cohesive surfaces.

Due to favorable market conditions, the City has the opportunity to finance the above-described projects through the Sunshine State Governmental Financing Commission ("SSGFC"). This Resolution provides for the negotiation of the loans with SSGFC. This resolution also allows the City to expend funds for capital expenditures related to this project from general fund reserves in advance of obtaining the financing, and then reimburse the general fund with the proceeds from the debt issuance.

Additionally, this Resolution provides for the validation of the City's loans. Validation will allow the special assessments to be reviewed by a court. After the validation hearing is complete, a final judgment is rendered, and the appeal period has run, persons would be stopped from challenging the special assessments and methodology used. There is a pending certiorari proceeding filed by one of the properties regarding the Giralda Streetscape assessment. The City is defending the matter and may seek to consolidate in the validation proceedings. The validation process would take about 90-180 days, unless appealed to the Florida Supreme Court.

After the validation is final, a subsequent resolution will be brought to the City Commission for approval of the additional financial details, including costs of issuance and authorization to execute loan agreements, prior to having the bonds publicly offered by SSGFC and funds loaned to the City.

On October 9, 2014, the Sunshine State Governmental Financing Commission approved a Resolution authorizing the City to move forward with the issuance of not to exceed \$25,000,000 of revenue bonds to undertake the above described capital improvements. Pending approval by the City Commission, the loans would be scheduled to close on or about March 2015.

Debt service on this loan will be paid 50% by the City and 50% by non-ad valorem special assessments imposed on properties receiving special benefit from the project, as determined in the Final Assessment Resolution adopted by on August 26, 2014. Prior to the issuance of debt, benefiting property owners have the option to prepay their portion of construction costs without paying financing and interest costs. Prepayment notices will be mailed this month and allow for a 90 day time frame in which property owners can make payment to avoid financing and interest costs. Those property owners that choose not to prepay will be assessed on the November 2016 tax bill.

APPROVED BY:

Department Director	City Attorney	City Manager
		

ATTACHMENT(S):

1. Resolution
2. Draft Loan Agreement