



INTEROFFICE MEMORANDUM
Office of the City Manager

DATE: November 28, 2018 **FILE:** CM-19-002

TO: Dr. Wazir Ishmael
City Manager

FROM: Gus Zambrano *49*
Assistant City Manager for Sustainable Development

SUBJECT: General Obligation Bond Summary

Issue:

General Obligation Bond Summary

Explanation:

Last November, 2017, the City Commission had a workshop to discuss the City's capital needs and review current project lists and possible funding sources for those projects. Out of the workshop, the Commission asked staff to explore a General Obligation Bond. This would require voters in the City to approve an increase in the City's tax rate to pay off the bonds over time.

Staff conducted research, met with the community and brought back a preliminary project list in March, 2018. Staff continued to work with the community to refine the project list based on the Commission's direction and community feedback that the bond needed to address the conditions of Orangebrook Golf Course.

In the meantime, the County finalized a plan to put forth a one cent transportation surtax on the November 2018 ballot, the passage of which would have a direct impact on the City's GO Bond project list. Additionally, the November ballot continued to grow with a number of other issues requiring voters' attention from state constitutional amendments to multiple City and County Charter revision questions.

Staff spent the summer of 2018 continuing with the GO Bond Planning Committee meetings, conducting several meetings and discussions with the Orangebrook Revitalization Committee, completing a National Golf Foundation Feasibility Study looking at various scenarios for improving Orangebrook and working with Broward County on the development of the City projects that would be eligible for funding through the additional 1% local option sales tax.

The Penny for Transportation, along with the City GO Bond initiative, could help the City of Hollywood address many of the requests for improvements residents have been seeking for several years. On November 6, 2018, the Penny for Transportation Countywide Local Option Surtax was approved by the electorate. The \$50.9 million in projects originally proposed as part of the GO Bond were removed from the GO Bond project list to reflect the additional funding available through the surtax.

Street resurfacing	\$15.9M
Alley Resurfacing	\$14.1M
Sidewalks	\$11 M
Seawalls	\$8.5M (5,150 LF of seawall adjacent to public roads)
Lighting	\$1.4M
Subtotal	\$50.9M

The final list of projects for the GO Bond totals \$165M and now includes police, fire and public safety facilities, technology and equipment, parks, open space, golf, recreational & cultural facilities, as well as improvements to the city's neighborhoods, infrastructure and resiliency.

For the average homeowner, with a median home value of \$215,000 (less homestead exemption of \$50,000 for a taxable value of \$165,000) the additional tax for a \$165M bond issuance would be \$106 annually or \$8.83 monthly. This is based on an interest rate of 4% for 25 years.

Recommendation:

For informational purposes.

c: Assistant City Managers
City Attorney
GO Bond Planning Committee