



City of Hollywood

Hollywood City Hall
2600 Hollywood Blvd
Hollywood, FL 33020
<http://www.hollywoodfl.org>

Legislation Text

File #: R-2016-023, **Version:** 1

A Resolution Of The City Commission Of The City Of Hollywood, Florida, Authorizing The Issuance Of Capital Improvement Revenue Bonds In One Or More Series For The Purpose Of Financing (A) The Costs Of Acquiring, Constructing And Installing Capital Projects For The Benefit Of The City Of Hollywood, And (B) Refunding Prior Obligations Issued By Or On Behalf Of The City, And Paying All Other Costs Necessary Or Incidental Thereto; Providing For The Terms And Payment Of Such Bonds; Providing For The Rights, Security And Remedies Of The Holders Thereof; Making Certain Covenants And Agreements In Connection Therewith; Authorizing The Proper Officials Of The City Of Hollywood To Do All Other Things Deemed Necessary Or Advisable In Connection With The Issuance Of Such Bonds; Providing For Certain Other Matters In Connection Therewith; And Providing An Effective Date.

Staff Recommends: Approval of the Resolution

Explanation:

The proposed Resolution will establish the legal framework for the issuance of Capital Improvement Revenue Bonds. The specific terms of the Series 2016 Capital Improvement Revenue and Refunding Bonds will be included in the Supplemental Bond Resolution which serves as a companion agenda item to this proposed Resolution.

The proposed Resolution authorizes the issuance of refunding bonds to refinance several existing series of bonds and loans secured with non-ad valorem revenues in order to provide debt service savings and the issuance of \$20,000,000.00 of additional bonds for the list of projects included in Exhibit C to the Supplemental Bond Resolution (companion agenda item). The proposed Resolution also authorizes the funding of a debt service reserve account or a reserve account insurance policy, the payment of a credit facility (bond insurance), and the payment of costs of issuance.

The refunding portion of the transaction will refinance the following existing loans:

- Series 2006 First Florida loan currently outstanding in the amount of \$11,000,000.00
- Series 2007 First Florida loan currently outstanding in the amount of \$1,060,000.00
- Series 2009B BB&T Bank loan currently outstanding in the amount of \$6,022,592.33, and
- Series 2010 BB&T Bank loan currently outstanding in the amount of \$5,913,834.31

The proposed Resolution will change the underlying security on these loans from a covenant to budget and appropriate the City's non-ad valorem revenues to a primary pledge of specific revenues

of the City - the Half Cent Sales Tax Revenue and the Communications Services Tax. The City's non-ad valorem revenues will continue to serve as a backup pledge for the proposed bonds if there is a debt service funding deficiency. This change in underlying security will result in debt that is viewed in the municipal finance markets as more creditworthy. This change also provides a benefit to the City of freeing up a portion of the City's gas tax revenues which were previously committed to repayment of certain loans issued through the First Florida Governmental Financing Commission through fiscal year 2018.

In July 2014, the City established a bond financing team consisting of a Financial Advisor and a pool of three Bond Underwriters. The Bond Underwriter next up in the rotation of the three firms is Merrill Lynch, Pierce, Fenner & Smith, Inc. - who will serve as the Senior Underwriter for the proposed Capital Improvement Revenue Bonds.

Recommended for inclusion on the agenda by:

Wazir Ishmael, Ph.D., City Manager

George R. Keller, Jr. Assistant City Manager

Matthew Lalla, Financial Services Director