

**CITY COUNCIL RESEARCH DIVISION
LEGISLATIVE SUMMARY**



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Bill Type and Number: Ordinance 2023-403

Introducer/Sponsor(s): Council President at the request of the Mayor

Date of Introduction: June 27, 2023

Committee(s) of Reference: R, F

Date of Analysis: June 29, 2023

Type of Action: Authorization of bond issue; Ordinance Code waiver

Bill Summary: The bill authorizes issuance of the City’s Special Revenue and Refunding bonds in an amount not to exceed \$180 million in net proceeds for the purpose of financing or refinancing capital improvements already authorized by previous legislation, and potentially for refinancing a portion of previously issued bond to achieve cost savings. A portion of Ordinance Code Chapter 104 – Bonds – is waived to permit the City to award the sale of the bonds on a limited competitive basis, as a negotiated sale or as a private placement as market conditions and the best interests of the City may dictate.

Background Information: Via Ordinance 2005-1086-E the City Council created a City of Jacksonville Special Revenue Bond program which provided a general authorization to pledge “covenant revenues”, which consist of any legally available General Fund revenues, except for ad valorem property taxes, to the repayment of those bonds. This bill authorizes issuance of special revenue bonds for the purpose of covering actual expenditures associated with previously authorized projects shown in Exhibit 1 of the ordinance, some of which have already been funded through the commercial paper program and are now being fixed out with long-term debt. The bond issue may also provide capacity to refund a portion of the City’s outstanding bonds. The waiver to allow a negotiated sale, private placement or limited competitive process for the bonds is necessary to provide flexibility in the timing of the issuance and sale of the bonds and to receive the benefit of enhance marketing of the issue. A negotiated sale is preliminarily expected. The bond issuance will be structured to match the debt to the useful life of the improvement being funded, and final maturity is estimate to be October 1, 2054.

Policy Impact Area: Capital improvement funding

Fiscal Impact: The additional combined annual debt service associated with the issuance of the bonds and commercial paper (net of the amount fixing out short term debt) is expected to be less than \$15 million per year initially, which is within budget projections and debt affordability models.

Analyst: Clements