

CITY COUNCIL RESEARCH DIVISION

LEGISLATIVE SUMMARY



COLLEEN HAMPSEY,
RESEARCH ASSISTANT
(904) 255-5151

117 West Duval Street
City Hall, Suite 425
Jacksonville, FL 32202
FAX (904) 630-3403

Bill Type and Number: 2021-462

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

Date of Introduction: July 27, 2021

Committee(s) of Reference: NCSPHS, F

Date of Analysis: July 29, 2021

Type of Action: Bond issuance

Bill Summary: This bill authorizes the issuance of the City Special Revenue and Refunding Bonds, in an amount necessary to provide not in excess of \$120,000,000 of net project funds in order to finance the acquisition and construction of capital projects. The provisions of Section 104.211 (Procedure for Sale of Bonds) of Chapter 104 (Bonds), *Ordinance Code*, are waived so as to allow for the Issuer to award the sale of the Series 2021/2022 Bonds on a negotiated basis or as a private placement to institutional investors rather than on a competitive basis. This waiver is necessary because of the need for flexibility in timing the issuance and sale of the Series 2021/2022 Bonds, the need to allow for an expeditious sale of the Special Revenue Refunding Bonds to meet the timing needs for the refunding of the Refunded Bonds, advantages expected to be received from an enhanced marketing of the Series 2021/2022 Bonds afforded by engaging one or more investment banking firms in a negotiated sale, or a private placement to institutional investors, and in consultation with the Chief Financial Officer and the Issuer's Financial Advisor.

Background Information: The purpose of this legislation is to authorize the issuance and sale of Special Revenue Refunding Bonds for capital project funding to cover actual expenditures associated with previously-authorized projects. Some of the projects have been previously funded with short term commercial paper borrowing and are now being fixed out with long-term debt. The bonds will be supported by the Special Revenue pledge, which is a basket of all City revenue sources except the ad valorem tax.

Policy Impact Area: Capital project financing.

Fiscal Impact: The additional debt service is estimated at less than \$11 million per year, which is within budget projections and affordability models.

Analyst: Hampsey