



Town of Cutler Bay

Town Hall
10720 Caribbean Blvd
Cutler Bay, FL 33189

Memorandum

File #: Item # 2020-45, **Version:** 1

MEMORANDUM

To: Honorable Mayor and Town Council

From: Rafael G. Casals, ICMA-CM, CFM, Town Manager

Date: March 4, 2020

Re: Resolution Preserving the Town's Right under Federal Income Tax Regulations to Issue a Bonds for the Cash Outlay from the Purchase of Land
Ordinance No. 19-12

REQUEST

A RESOLUTION OF THE MAYOR AND TOWN COUNCIL OF THE TOWN OF CUTLER BAY, FLORIDA, INDICATING THE OFFICIAL INTENT OF THE TOWN TO ISSUE TAX-EXEMPT BONDS OR NOTES IN THE AMOUNT OF UP TO \$3,500,000.00 TO FINANCE THE COSTS OF ACQUISITION OF VACANT LAND FOR THE SITE OF A NEW MUNICIPAL COMPLEX AND A PARK AND TO USE A PORTION OF THE PROCEEDS OF SUCH BONDS OR NOTES TO REIMBURSE EXPENDITURES PAID OR INCURRED PRIOR TO THE DATE OF ISSUANCE THEREOF; AND PROVIDING FOR AN EFFECTIVE DATE.

BACKGROUND AND ANALYSIS

As discussed during the Town Council Workshop on February 26, 2020, the Town Council has determined that it is necessary and in the best interest of the Town to finance certain costs related to the recently acquired property consisting of sixteen (16) acres of vacant land located north of S.W. 212 Street and east of Old Cutler Road (commonly referred to by locals as the "Potato Field") for the site of a new municipal complex and a park (the "Project").

The Town Council has discussed the issuance of tax-exempt bonds or notes for the purpose of financing the costs of the Project, in which a portion of the costs of the Project may be paid from internal funds of the Town before the Bonds are issued in anticipation of the reimbursement of such expenditures from proceeds of the Bonds. The maximum principal amount of the Bonds expected to be issued for this Project is \$3,500,000.00, which is the amount of cash outlay paid as part of the "land swap" negotiated deal, approved via Ordinance No. 19-12.

According to Section 1.150-2 of the Federal Income Tax Regulations, the Town is required to officially declare its intent to possibly use proceeds of the Bonds to reimburse expenditures paid prior to issuance thereof as a prerequisite to the proceeds being treated as used for reimbursement purposes.

This Resolution, if adopted, is solely for the purposes of complying with the requirements of the Code of Federal Regulations, Title 26, §1.150-2, and no Bonds are being issued hereby.

RECOMMENDATION

It is recommended that the Town Council adopt the attached Resolution, preserving the right to reimburse the cash portion of the “land swap” deal, in the amount not to exceed \$3,500,000.00.