



Memorandum

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MEMORANDUM

To: Honorable Mayor and Town Council

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

Date: March 18, 2020

Re: Resolution Preserving the Town's Right under Federal Income Tax Regulations
to Issue a Bonds for the Acquisition of Vacant Land for Park, Conservation, and
Resiliency Purposes. (*Folio No. 36-6003-001-0013*)

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 \$8,550,000 TO FINANCE THE COSTS OF ACQUISITION OF VACANT LAND FOR PARK, CONSERVATION AND RESILIENCY PURPOSES 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 received a briefing from both the Town Attorney and Manager regarding the possible acquisition of vacant land. The property is located at 18551 Old Cutler Road and consists of +/- 8.45 acres, adjacent to the South Florida Water Management Conservation wetlands.

The Town Council has discussed the issuance of tax-exempt bonds or notes for the purpose of financing the costs of the possible acquisition of vacant land for Park, Conservation, and Resiliency purposes, in which a portion of the costs of the vacant land acquisition 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 the vacant land acquisition is \$8,550,000, which is the total cost associated with the acquisition of the vacant land acquisition located at 18551 Old Cutler Road.

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 finance cost of the acquisition of vacant land (Folio No. 36-6003-001-0013) for Park, Conservation, and Resiliency purposes, in the amount not to exceed \$8,550,000.