



City of Hallandale Beach City Commission Agenda Cover Memo

Meeting Date:	File No.:	Item Type:		1 st Reading	2 nd Reading
5/21/2025	25-191	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Other	Ordinance Reading	N/A	N/A
			Public Hearing	<input type="checkbox"/>	<input type="checkbox"/>
			Advertising Required	<input type="checkbox"/>	<input type="checkbox"/>
			Quasi-Judicial:	<input type="checkbox"/>	<input type="checkbox"/>
Fiscal Impact (\$):	Account Balance (\$):	Funding Source:	Project Number:		
N/A	N/A	N/A	N/A		
Contract/P.O. Required	RFP/RFQ/Bid Number:	Sponsor Name:	Department:		
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	N/A	Geovanne Neste, Finance Director	Finance		
Strategic Plan Focus Areas:					
<input checked="" type="checkbox"/> Fiscal Stability	<input checked="" type="checkbox"/> Resident Services	<input type="checkbox"/> Public Safety	<input checked="" type="checkbox"/> Infrastructure & Mobility	<input type="checkbox"/> Economic Development & Affordable Housing	
Implementation Timeline:					
Estimated Start Date: 3/22/2025			Estimated End Date: 9/30/2028		

SHORT TITLE:

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, ESTABLISHING ITS INTENT TO REIMBURSE CERTAIN EXPENSES INCURRED IN CONNECTION WITH THE IMPROVEMENTS TO THE CITY'S UTILITY SYSTEM AND STORMWATER SYSTEM WITH PROCEEDS OF A FUTURE TAX-EXEMPT FINANCING; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

STAFF SUMMARY:

Summary:

Staff seeks City Commission approval of the attached Resolution authorizing Declaration of Official Intent under U.S. Income Tax Regulations with respect to reimbursement from upcoming bond proceeds for temporary advances made from the Utility and Stormwater funds to pay for costs associated with eligible capital projects prior to bond issuance.

Background:

On May 17, 2023, the City Commission adopted the Master Utility System Bond Ordinance, which laid the foundation for the issuance of a series of utility revenue bonds to fund critical water, wastewater, and stormwater infrastructure projects. The initial Capital Improvement Plan (CIP), approved in September 2022, outlined \$230.6 million in capital projects, with \$181 million anticipated to be funded through public utility revenue bonds.

In March 2023, the CIP was first updated in response to rising construction costs, which increased the total projected costs by approximately \$22.3 million. Following this, in March 2024, the CIP was updated again to incorporate urgent stormwater projects identified in the City's newly completed Stormwater Master Plan. This update added \$30.1 million to the overall project costs. Due to the urgency of these stormwater needs, the updated plan includes allocations from the bond proceeds for stormwater projects, which were not part of the initial estimates.

The CIP underwent further evaluation and revision between the latter half of 2024 and early 2025, resulting in the addition of new projects, the completion or near-completion of others, and the allocation of additional grant funding to certain others. As a result, the total projected cost of the CIP through FY 2031-32 now stands at approximately \$278.7 million, with \$232.7 million anticipated to be financed through the multiple series, or "tranches", of utility bonds throughout the phases of the CIP.

The City issued the first tranche of the utility revenue bond series on December 12, 2024, in the amount of \$58,775,000 pursuant to Ordinance No. 2023-006 and Resolution No. 2024-099. Proceeds totaled approximately \$61,022,000, including net premium. Of this amount, approximately \$60,000,000 was deposited into the project fund which reimbursed capital expenditures and funded capital improvements that were underway for the first phase of the CIP, and the remainder was applied to costs of issuance.

There are projects relating to water distribution and treatment infrastructure, lift stations, stormwater drainage, and other infrastructure (detailed below) that are currently in progress that will be constructed in the second phase of the CIP. Preliminary project costs for the second phase of capital projects are expected to total an estimated \$72 million. The total number of second phase projects is subject to change as capital plans evolve, prioritization of projects shifts to address critical needs, and additional funding sources are obtained or become available (eg. Grant awards, Federal/State loan programs). As such, staff is in the process of obtaining financing for the second phase of projects through the issuance of the second tranche of utility revenue bonds.

U.S. Income Tax Regulations allows borrowers issuing tax-exempt bonds to reimburse themselves with bond proceeds for any project-related expenditures 60-days prior to adopting the Declaration of Official Intent. This resolution is necessary as the City intends to reimburse itself from bond proceeds of the second tranche.

Potential projects identified within this issuance include the following:

PROJECT #	PROJECT NAME	PROJECT BUDGET (ESTIMATE)
Water Distribution and Treatment Revenue Bond Projects		
QP 1003	Raw Water Piping Improvements	800,000
QP 1007	Water Treatment Plant Raw Meter Vault Improvement	400,000
QP 1009	Polymer & Sodium Hex Storage	815,000
QP 1010	Sodium Hypochlorite Feed System	400,000
QP 1011	Sodium Hypochlorite Feed Storage	500,000
QP 1015	Membrane Plant Chemical Pump Replacement	3,150,000
QP 1016	WTP Emergency Power Generator	1,000,000
QP 1023	WTP Diesel Driven Pump and Fuel	600,000
QP 1027	WTP Disinfection Improvements	2,000,000
QP 2614	Water Tower on Beach	4,000,000
P2208	Holiday Drive WM Improvements	6,700,618
P2209	16" Water Main HBB/SE14th	2,050,000
P2213	Parkview Dr. 16-inch Watermain Improvements	9,200,000
P2415	Dixie Hwy 12" Water Main	7,506,800
P2510	Reverse Osmosis Skid 2	7,200,000
	Subtotal	46,322,418
Wastewater Revenue Bond Projects		
P2018	Lift Station #6 Rehabilitation	7,300,000
P2002	Lift Station #1	1,000,000
P2121	30" Force Main (NE14th Ave - btw Atlantic Shores & Funston Street)	2,175,000
P2122	Lift Station #14 Capacity Improvements	150,000
P2129	Lift Station #1 Force Main	2,050,000
P2131	Lift Station #9 Capacity Improvements	500,000
P2122	Lift Station #14 Capacity Improvements	500,000
P2132	Lift Station #12 Capacity Improvements	275,000
P2134	Lift Station #13 Capacity Improvements	1,450,000
P2135	Lift Station #4 Rehabilitation	525,000
P2408	Dixie Hwy FM Improvements	3,200,000
P2409	Lift Station #7	1,850,000
QP 2607	Miami-Dade County - Sewer Trunk Line	1,200,000
	Subtotal	22,175,000
Stormwater Revenue Bond Projects		
P2303	DPW Yard Stormwater Drainage Improvements Project	150,000
QP 2613	I-95 Stormwater Station (Pembroke Pines / FDOT) Project	2,000,000
QP 1031	SW. 11th Ave 48" Trunk Line	500,000
P2305	Gulfstream-Rehab 72 Inch SW Main	400,000
	Subtotal	3,050,000
	Total 2025 Utility Revenue Bond Projects Reimbursable Estimate	71,547,418

Current Situation:

Staff is recommending that the City Commission adopt the attached Resolution authorizing Declaration of Official Intent under U.S. Income Tax Regulations with respect to reimbursement from the bond proceeds for capital expenditures made prior to bond issuance in an amount not to exceed \$72 million.

Why Action is Necessary:

This Resolution is necessary to constitute a "Declaration of Official Intent" within the meaning of Section 1.150-2 of the Income Tax Regulations which were promulgated pursuant to the Internal Revenue Code of 1986, as amended, with respect to the debt incurred to finance the costs of all or a portion of the capital projects.

Cost Benefit:

Adopting the attached resolution will allow the City to reimburse itself for project-related costs that are within the parameters of these IRS regulations. Project costs that are determined not to be reimbursable per U.S. Income Tax Regulations would need to be funded from operating income and/or reserves.

PROPOSED ACTION:

The City Commission adopts the attached Resolution.

ATTACHMENT(S):

Exhibit 1 – Resolution

Exhibit 2 – Preliminary List of Tranche 2 Revenue Bond Projects

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Reviewed By: Geovanne Neste
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Finance Director

Reviewed By: Noemy Sandoval
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Assistant City Manager