

TOWN OF DAVIE

TOWN COUNCIL AGENDA REPORT

TO: Mayor and Council Members

FROM/PHONE: William Underwood, II/797-1050

DOCUMENT PREPARED BY: William Underwood, II/797-1050

SUBJECT: Resolution

AFFECTED DISTRICT: District 1

TITLE OF AGENDA ITEM: A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA, TO RATIFY THE PROVISION OF A "LOAN" OF FUNDS FROM THE WATER/SEWER FUND TO THE CAPITAL PROJECTS FUND OF THE TOWN OF DAVIE IN AN AMOUNT NOT TO EXCEED \$3,600,000 FOR THE PURCHASE OF PROPERTY KNOWN AS "SUNNY LAKE" FROM MADEIRA LIMITED; PROVIDING AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

REPORT IN BRIEF: The accompanying resolution is necessary to document the Town's loan to fund the cost of the acquisition of the Sunny Lake property and other related expenses. In the future the Water and Sewer Fund will be reimbursed through a future bond issue and/or through grant funding.

PREVIOUS ACTIONS: Resolution 2004-170 & 2004-072

CONCURRENCES: Interim Town Administrator, Assistant Town Administrator and Director of Utilities. Budget and Finance does concur.

FISCAL IMPACT: \$3,600,000

Has request been budgeted? No

If yes, expected cost: N/A

Additional Comments: Not applicable

RECOMMENDATION(S): Motion to approve the resolution.

Attachment(s):

Resolution

Exhibit "A"

RESOLUTION NO. _____

A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA, TO RATIFY THE PROVISION FOR A "LOAN" OF FUNDS FROM THE WATER/SEWER FUND TO THE CAPITAL PROJECTS FUND OF THE TOWN OF DAVIE IN AN AMOUNT NOT TO EXCEED \$3,600,000 FOR THE PURCHASE OF PROPERTY KNOWN AS "SUNNY LAKE" FROM MADEIRA LIMITED.; PROVIDING AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

WHEREAS, the Town Council of the Town of Davie, Florida (the "Town") intends to issue tax-exempt bonds (the "Bonds") for the purpose of acquiring the "Sunny Lake" Property and

WHEREAS, a portion of the costs of the Project may be paid before the Bonds are issued in anticipation of the reimbursement of such expenditures from the proceeds of the Bonds; and

WHEREAS, Section 1.150-2 of the Federal income tax regulations requires the Town to officially declare its intent to 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.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA:

SECTION 1. The Town Administrator is hereby authorized and directed to provide for a "loan" in an amount not to exceed Three Million Six Hundred Thousand (\$3,600,000) Dollars from the Water/Sewer Fund to the Capital Project Fund of the Town of Davie for the exclusive purpose of purchasing property owned by Madeira Limited. The loan of funds ratified and approved hereby will be paid monthly to the Water/Sewer Fund at the equivalent monthly interest rate provided by the Florida State Board of Administration (SBA), on the unpaid balance until paid in full. A copy of the loan terms is attached hereto as "Attachment A."

SECTION 2. The Town Council hereby amends its Capital Project Budget by appropriating these loan proceeds to the Capital Program.

SECTION 3. This Resolution shall take effect upon adoption.

PASSED AND ADOPTED THIS _____ DAY OF _____, 2004

MAYOR/COUNCILMEMBER

Attest:

TOWN CLERK

APPROVED THIS _____ DAY OF _____, 2004

“EXHIBIT A”

TERMS AND CONDITIONS

This loan agreement is entered into as of this 15th day of December, 2004, by and between the **Town of Davie Water/Sewer Fund** (Holder) and the **Capital Projects Fund** (Issuer).

Holder: Water and Sewer Fund

Issuer: Capital Projects Fund of the Town of Davie

Amount: Three Million, Six Hundred Thousand (\$3,600,000) Dollars

Term: Beginning at closing and monthly thereafter

Rate: Based upon the Monthly Variable Interest Rate Provided by the Florida State Board of Administration

Project: Purchase of Sunny Lake property

Conditions: Monthly payments of interest only with the first payment due 30 days from the date of closing and monthly thereafter until paid in full.

The loan shall not be a general debt or a pledge of the faith and credit of the Issuer, or a debt or pledge of the faith and credit of the State of Florida or any political subdivision thereof within the meaning of any constitutional, legislative or charter provision or limitation, and it is expressly agreed by the Holder that it shall never have the right, directly or indirectly, to require or compel the exercise of the ad valorem taxing power of the Issuer or any other political subdivision of the State of Florida or taxation in any form on any real or personal property for the payment of the principal of, premium if any, and interest on the Loan or for the payment of any other amounts provided for herein. The Holder shall have no lien upon the Project.

The Issuer hereby covenants to budget and appropriate in each of its Fiscal Years, from its legally available non-ad valorem sources of revenue, moneys sufficient to pay the principal of and interest on the Loan coming due in such Fiscal Year, until the Loan has been Paid in Full. Such covenant does not create a pledge of or lien upon the non-ad valorem revenues of the Issuer and nothing herein or in the Loan shall prevent the Issuer from granting a pledge or lien on its non ad valorem revenues in the future.

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