

REQUEST FOR CITY COUNCIL CONSIDERATION

Meeting Date: August 20, 2007

Agenda Item: 5 (C)	Prepared By: William P. Harrison, Finance Director Date: August 8, 2007
Agenda Section: Business: Resolution	
Subject: Resolution to Approve Application for State Revolving Loan Fund	Department: Finance

BACKGROUND:

City Council is asked to consider a resolution authorizing an application for the State Revolving Loan Fund to fund neighborhood construction of the Lamplighter and Sheffield Assessment Areas.

On August 6, 2007, City Council adopted a resolution to authorize the submittal of an application for the State Revolving Loan Fund to fund construction of the Lamplighter and Sheffield Assessment Areas. Councilman Forcht, who voted with the majority, invoked Rules of Procedure and asked that the resolution be reconsidered.

City Council has previously authorized an application to the State Revolving Loan Fund for neighborhood construction costs for the sewer assessment areas under construction in 2007. The State Revolving Loan Fund offers local water and sewer utilities a 20-year fixed rate loan at a subsidized interest rate. Funds for the 2007 sewer assessment areas have been approved at the annual interest rate of 2.87%, well below the current rate available through the issuance of Assessment Bonds.

City Council established the Lamplighter and Sheffield Assessment Areas. Receipt of bids is anticipated within the next several months with construction expected to begin in April 2008. For those property owners who elect the option of equal annual payments over 20 years on the property tax bill or who elect to defer payment of the assessment for up to 20 years, funds need to be borrowed to pay for the construction costs for these property owners. To be eligible for the State Revolving Loan Fund, the application must be submitted prior to the receipt of construction bids.

If Council does not agree to seek financing through the State Revolving Loan Fund, or if the application is denied by the State, construction costs associated with the deferred payment options will be funded through the issuance of 20-year Assessment Bonds.

RECOMMENDED ACTION:

1. Motion to Reconsider the Resolution Authorizing Loans from the State of Florida.
2. If Motion to Reconsider is approved, consider motion to approve Resolution Authorizing Loans through the State of Florida Revolving Loan Fund.

Reviewed by Department Director

Reviewed by City Manager

Council Action: Motion by:

Second by: 