

RESOLUTION 22-34

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARCO ISLAND, FLORIDA, APPROVING AN INTERFUND LOAN IN AN AMOUNT OF SEVEN HUNDRED THOUSAND DOLLARS (\$700,000.00) FROM THE CITY TO THE HIDEAWAY BEACH TAXING DISTRICT, TO FINANCE BEACH RENOURISHMENT PROJECTS LOCATED WITHIN THE DISTRICT; PROVIDING FOR OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to Ordinance No. 04-05 enacted by the City Council of the City of Marco Island, Florida (the "City") on April 19, 2004, as amended (collectively, the "Ordinance"), the City established the Hideaway Beach District (the "District"), as a dependent special district of the City within the meaning of Chapter 189, Florida Statutes; and

WHEREAS, pursuant to Section 3.d. of the Ordinance, the District desires to obtain an interfund loan from the City to finance the beach renourishment projects which are authorized by the Ordinance and located within the District (the "Project"); and

WHEREAS, pursuant to Resolution No. 22-06 adopted by the City Council of the City on February 22, 2022 (the "Resolution") and a successful bond referendum on August 23, 2022, the City and the voters within the District authorized the levy of a special ad valorem tax within the District at a millage rate not to exceed 2.6 mills for a period not to exceed 10 years (the "Limited Ad Valorem Tax Revenues") to finance beach renourishment within the District and to pay operation and maintenance expenses of the District; and

WHEREAS, pursuant to Article VII, Section 12 of the Florida Constitution, special districts with taxing powers may borrow, payable from ad valorem taxation and maturing in twelve months or less, to finance capital projects authorized by law and without the necessity of voter approval within said district; and

WHEREAS, the City Council previously approved Resolution 21-33 on August 16, 2021 to provide for the Interfund Loan during the 2021-22 Fiscal Year; however, due to permitting the Interfund Loan was not needed, so at this time the City Council desires to rescind Resolution 21-33, and approve this Resolution to provide for the Interfund Loan during the 2022-2023 Fiscal Year; and

WHEREAS, the District desires to borrow monies to finance the Project in anticipation of ad valorem tax revenues collected during the fiscal year commencing October 1, 2023 through September 30, 2024, pursuant to the Resolution, and the City and the District have determined that the most-cost effective way to finance the Project is by means of an interfund loan from the City to the District for a term of not to exceed

12 months (the "Interfund Loan") to be secured by the levy of such special ad valorem tax; and

WHEREAS, the Interfund Loan is expected to be made in January, 2023, subject to the District obtaining all necessary permits for the Project, and will mature on December 31, 2023, which is a term of a term of not to exceed 12 months; and

WHEREAS, the City Council of the City desires to formalize, ratify and approve the Interfund Loan.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Marco Island, Florida, as follows:

SECTION 1. Rescind. The City Council hereby rescinds Resolution 21-33, dated August 16, 2021 in its entirety.

SECTION 2. Approval. The Interfund Loan in an amount equal to Seven Hundred Thousand and 00/100 Dollars (\$700,000.00) to finance the Project is hereby formalized, ratified and approved.

SECTION 3. Terms of Interfund Loan. The terms of the Interfund Loan are described below:

- 1) Any proceeds of the Interfund Loan, which are not expended shall be invested in the manner and to the extent permitted by the City's written investment policy.
- 2) The interest rate on the Interfund Loan shall be equal to 2.5 percent (2.5%), payable on the maturity date of the Interfund Loan of December 31, 2023.
- 3) The maturity date of the Interfund Loan is December 31, 2023.
- 4) The Interfund Loan is secured by the Limited Ad Valorem Tax Revenues collected within the District.
- 5) All principal amount of the Interfund Loan shall be due on the maturity date of the loan of December 31, 2023, unless earlier paid. The Interfund Loan can be paid prior to maturity, in whole or in part at any time at a price equal to the principal amount thereof to be paid, without penalty, plus accrued interest to the date fixed for early prepayment.
- 6) Notwithstanding anything herein to the contrary, if a payment date does not fall on a business day, the payment will be due on the immediately preceding business day.

SECTION 4. **REPEALER**. All resolutions or portions thereof in conflict herewith are hereby repealed.

SECTION 5. **EFFECTIVE DATE**. This Resolution shall take effect immediately upon its passage.

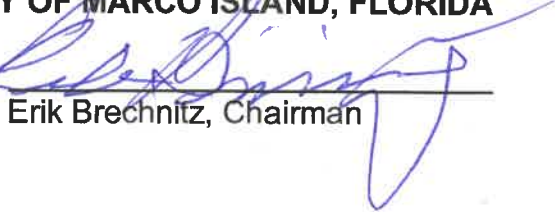
Passed in open and regular session through roll call vote by the City Council of the City of Marco Island, Florida on this 19th day of September 2022.

ATTEST:



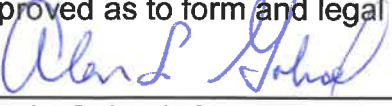
Michael J. Sheffield, City Clerk

CITY OF MARCO ISLAND, FLORIDA

By: 

Erik Brechnitz, Chairman

Approved as to form and legal sufficiency:



Alan L. Gabriel, City Attorney

