




MEMORANDUM

Date: June 6, 2024

To: Honorable Mayor and Commissioners

Via: Albert P. Childress 
City Manager

From: Todd Stoughton
Assistant City Manager

Subject: **(24-5843) General Obligation Bond Ordinance – ADAPTATION**

Introduction

The City Manager's Office respectfully requests authorization to place the following Adaptation referendum question on the November referendum election ballot. There have been no changes between first and second reading.

Background

During the development of the City's updated Strategic Plan 'Key West Forward' that included numerous meetings with both City Staff and residents of Key West, it was noted that residents are concerned about long-term planning for City projects. Five out of the six priorities in the City Strategic Agenda are covered in the City's GO Bond request. In 2021 during the Strategic Planning Session, eleven Major Projects were identified. Those were:

- 1) Duval Street Revitalization
- 2) Green Way Project (bike path)
- 3) Mallory Square
- 4) Bayview Park
- 5) KOTS -John Jones Navigation Center
- 6) Douglass Gym
- 7) Diesel Plant
- 8) 3.2 Housing Development
- 9) Fire Station 3
- 10) MLK Pool

11) North Roosevelt Corridor

Of the above Major Projects, three projects (Douglass Gym, 3.2 Housing Project/JJNC) have broken ground in the past year. The above projects were identified through the January 2022 survey submitted to the community and confirmed by the City Commission and Department Directors. The top four projects that were identified by the community were: 1) Duval Street Revitalization 2) The Greenway Project (bike path) 3) Mallory Square and 4) Bayview Park.

A bond program will allow the City to accelerate these projects and save the City millions of dollars. Construction prices continue to rise, and the price of projects has, in some cases, doubled in the past five years. The City, with over \$800 Million in real estate holdings, is in a prime position to obtain a high bond rating.

In January 2024, the City signed an engagement letter with PFM Financial Advisors LLC to memorialize our agreement for the planning, analysis, Commission presentation(s), and community outreach related to potential future financing. PFM provided the City Commission with a presentation on the G.O. Bond process at the January 11th City Commission meeting.

In October 2023, the City signed an agreement with Clearview Research to conduct a research poll with a small sample of registered voters within the City limits. This survey was completed in January 2024 in which the results were presented to the City Commission at the February 8th City Commission meeting.

On March 15, 2024, the City Commission approved Resolution No. 24-060 authorizing staff to obtain further information as to the feasibility of a general obligation bond issue of up to \$300,000,000.

A city-wide voter referendum is required prior to the issuance of G.O. Bonds. If the referendum is passed it takes approximately three to six months from approval before bonds can be issued. This is the first step of the process and does not commit the City at this point of the process. The G.O. Bond will finance the cost of renovations and improvements throughout the City. Currently, the City has programmed Bond Projects to cover: Adaptation, Public Safety, Parks & Recreation, and Transportation and Roadway Improvements.

If approved, voters will be presented with an Adaptation ballot question that will help mitigate the impact of stronger hurricanes, increase projects that minimize flooding and combats sea-level rise by enhancing critical infrastructure in the amount not to exceed \$99,000,000.

Financial Impact:

Until the Bond is approved, financial impact is limited to consultants who are assisting City staff with the Bond administration.

Recommendation

The City Manager's Office recommends the Mayor and Commission approve and direct City Staff to place the City of Key West General Obligation Bond question for Adaptation projects on the November 2024 General Election ballot.