



## MEMORANDUM

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Date: May 7, 2026

To: Honorable Mayor and Commissioners

Via: Brian L. Barroso  
City Manager

From: Christina Bervaldi  
Director of Finance

Subject: **File ID 26-5346 – Resolution to Authorize the City of Key West to Issue General Obligation Bonds to Finance the Adaptation Project Located at Jose Marti Drive**

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### **Introduction**

Requesting the City Commission authorization to proceed with the proposed General Obligation Bonds, Series 2026 (Adaptation – Jose Marti Drive Project) (the “Series 2026 Bonds”) in the amount of not to exceed \$8 million to be used for (i) finance and/or reimburse the City’s share of the Costs of the 2026 Project pursuant to the Locally Funded Agreement with the State of Florida Department of Transportation to contribute fifty percent (50%) of the estimated costs for certain resiliency improvements to be constructed at the intersection of SR5/US-1/North Roosevelt Boulevard and Jose Marti Drive, and (ii) pay certain costs and expenses relating to the issuance and sale of the Series 2026 Bonds.

### **Background**

On July 24, 2024 City Ordinance No. 24-18 (the "Referendum Ordinance") was enacted that led a city-wide voter referendum on November 5, 2024 that allowed the City to issue up to \$65 million of general obligation bonds (in one or more series) for Adaptation purposes.

Following the referendum approval by the voters, the City enacted City Ordinance No. 25-04 (the “Bond Ordinance”) on February 4, 2025 which established additional terms, conditions and covenants for the Series 2026 Bonds, (ii) directed judicial validation of the Bonds pursuant to Chapter 75, Statutes, and (iii) provided that following such validation, the dollar amount, interest rate, maturity date, series designation and other details would be fixed by supplemental resolution of the City Commission before issuance.

Additionally, the City's authority to issue the Series 2026 Bonds, the Referendum Ordinance, the Bond Referendum, and the Bond Ordinance were validated by the Final Judgment entered by the Circuit Court of the Sixteenth Judicial Circuit in and for Monroe County, Florida, on May 1, 2025 and such Final Judgment was not appealed and the time for having filed an appeal has expired.

Among other provisions, the proposed resolution conditions the City Commission's approval on satisfying the following parameters on the Series 2026 Bonds issuance:

Maximum Principal Amount: \$8,000,000

Term: Final maturity not later than October 1, 2055

Maximum True Interest Cost: 5.50%

Minimum Purchase Price: 100% of par, subject to original issue discount or premium.

The City currently anticipates selling the Series 2026 Bonds via a competitive bid in mid-July, followed by a closing date in mid-August.

### **Cost**

The Series 2026 Bonds will be structured for level debt service over an approximately 15-year term (the final maturity cannot exceed 15-years from the issuance date) with an estimated annual debt service of \$684,500 (debt service dependent on market conditions at time of sale). The debt service will be paid from Ad valorem taxes from a voted millage levied by the City in accordance with the related Bond Referendum, the Bond Ordinance and this Resolution. The voted millage will be in addition to the City's operating millage.

### **Recommendation**

The City Manager's Office recommends the Mayor and Commission approve and direct City Staff to continue the process of issuing the General Obligation Bonds, Series 2026 (Adaptation – Jose Marti Drive Project).