

2024 BOND PROGRAM

City Commission Workshop

April 3rd, 2024

Subcommittee
Presentation

General Obligation Bonds Overview

- General Obligation ("GO") Bonds are a financing mechanism to fund improvements
 - Backed by the full faith and credit of the issuer
 - Debt service is paid by a specific millage levy (Ad Valorem tax)
 - Voter referendum is required prior to issuance of GO Bonds
- GO Bond funded projects typically have broad community benefits such as Public Safety, Parks, Roadways, Flooding & Weather Related Improvements, etc.
 - Financing these City-wide improvements allows for the cost to be spread out over time
 - Cost is shared between both today's and tomorrow's residents ("Generational Equity")

GO Bond Issuance Process

1. Develop Project List and Estimate Financial Impacts
2. Finalize Project List
3. Authorizing Resolution: City Commission provides direction to proceed
4. Adopt Resolution: City Commission approves ballot question & scope of projects
5. Educational Outreach: Public informational sessions about projects & millage impact

November 5, 2024 - GO BOND REFERNDUM DATE

6. Clerk Canvas Referendum Results
7. City Commission Accepts Results of Referendum
8. Draft Bond Documents Prepared by Bond Counsel
9. File Referendum Validation (if necessary)

Public Safety

KWPD STATION MODERNIZATION

- Estimated Costs: \$34 Million
- 2-3 story addition
- Additional Generator (Emergency Power Redundancy)
- Renovations include: Solar Panel Backup Power, Cistern, Renovations focused on Category 5 building upgrades.

Public Safety

NEW FIRE STATION 3

Located at 1499 Kennedy Drive

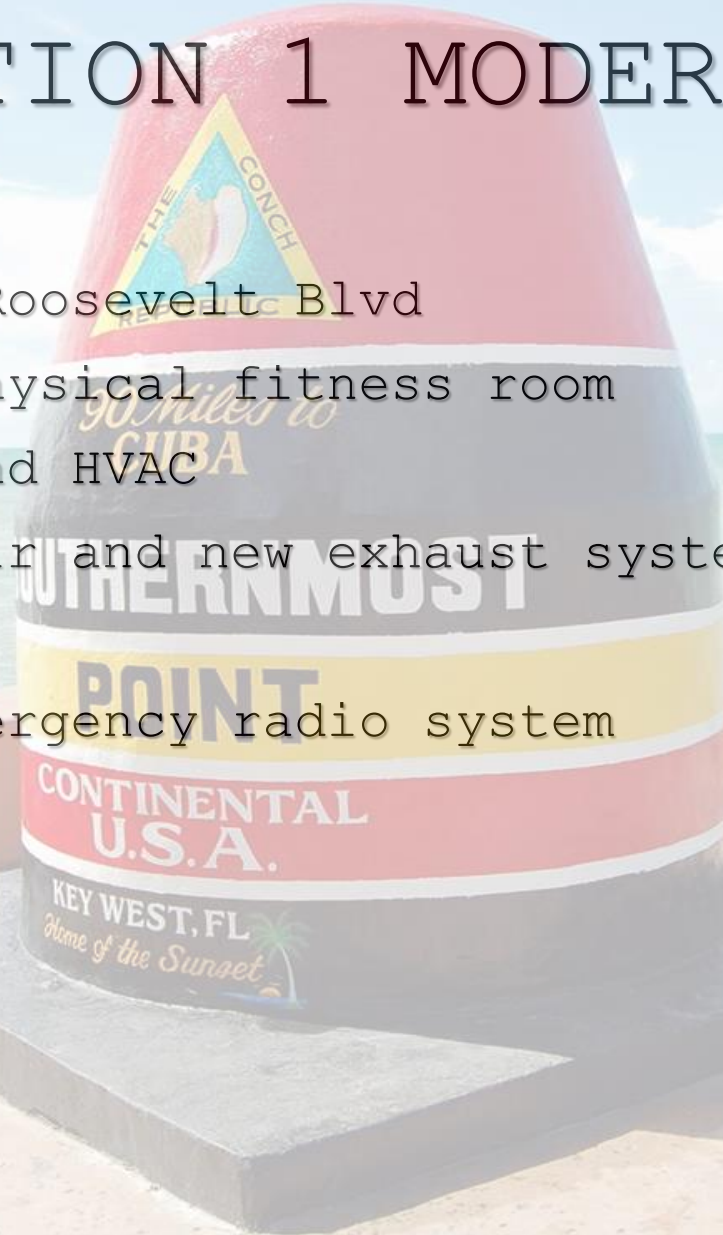
Estimated Cost \$42m which includes:

- New Emergency Operations Center (Primary Data Center)
- Community Training Room
- Fire Training Tower
- Category 5 rated facility

Public Safety

FIRE STATION 1 MODERNIZATION

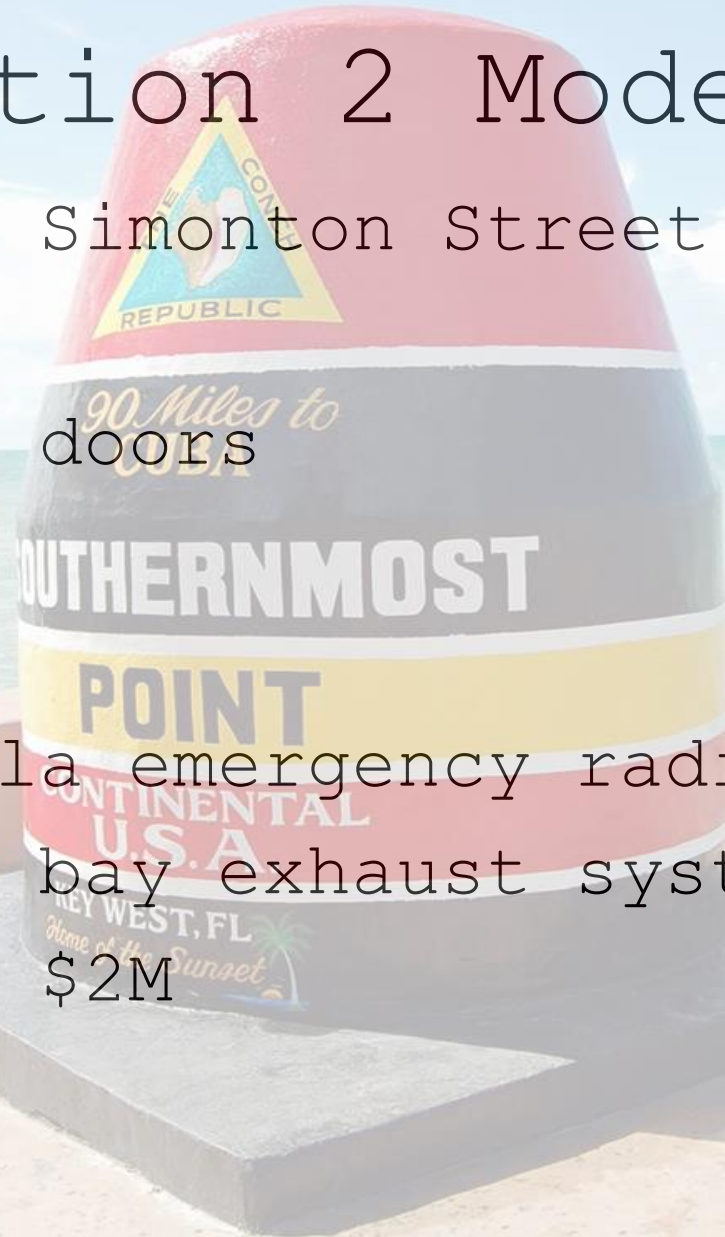
- Remodel station 1
- Located at 1600 N. Roosevelt Blvd
- Add classroom and physical fitness room
- Add new generator and HVAC
- Concrete floor repair and new exhaust system in engine room
- New LED lights
- Replace Motorola emergency radio system
- New boatlift
- Estimated Cost \$4M



Public Safety

Fire Station 2 Modernization

- Located at 616 Simonton Street
- New A/C system
- New engine bay doors
- New Paint
- New LEDs
- Replace Motorola emergency radio system
- Replace engine bay exhaust system
- Estimated cost \$2M



Parks & Recreation

Martin Luther King, Jr. Community Pool

- Estimated Costs: \$15 Million
- Dedicated swim lanes and play areas
- New restrooms/changing areas
- Heater/Chiller for year-round use
- Lifeguard Office/Safety facilities
- Pavilion for community use

A buoy in the ocean with text on it. The buoy is cylindrical and has several bands of color: red at the top, grey, yellow, and red at the bottom. It has a triangular logo at the top with a bird and the text 'THE PUBLIC'. Below the logo, it says '90 Miles to CUBA'. The main body of the buoy has 'SOUTHERNMOST POINT' written on it. At the bottom, it says 'KEY WEST FLORIDA U.S.A.' and 'Home of the Sunset'. The background shows a blue sky with clouds and a greenish ocean.

Parks & Recreation Truman Waterfront Park Enhancements

- Estimated Costs: \$19 Million
- Splash Pad Equipment and System upgrades
- Park Resodding
- Amphitheater Enhancements
 - Additional Restrooms and dedicated Vendor Facilities
 - Stage Expansion and Back of Stage Facilities
 - Performer Accommodations/Green Room
 - Special Seating Areas

Parks & Recreation Bayview Park Renovations

- Estimated Costs: \$10 Million
- Green Space and Added Landscape/Irrig. Improvements
- New Tennis Pro Shop and Park Restrooms
- Improved Basketball Facilities
- New Picnic Tables, Benches and Lighting
- New Childrens Playground, including Water Feature
- Multi-generational Community Park

Parks & Recreation

INDIGENOUS PARK RENOVATIONS

- Estimated Costs: \$2 Million
- Pavilion and restroom renovations
- Pavilion in major need of repair
- Renovations to include: Pavilion repair, restroom upgrades, lighting, landscaping, infrastructure for small kitchen

Parks & Recreation Mallory Square Master Plan

- Estimated Costs: \$20 Million
- Includes: Stormwater upgrades, seawall rehabilitation, new construction to include restrooms, landscaping, hardscaping, wayfinding, and possible pump station installation.
- Focus on hardening for sea level rise.

Transportation and Roadway Improvements

Paving Program

- Estimated Costs: \$40 Million
- Provide Newly Paved Roadways throughout City
- Improved Safety and Resiliency
- Bahama Village - \$10 Million
- Old Town - \$10 Million
- Mid-New Town - \$20 Million

Transportation and Roadway Improvements Parking Improvements Program

- Estimated Costs: \$11 Million
- Increase reliable Parking Options
- Implement Complete Street Goals
- Provide visitor-based Revenue for the City
 - Caroline Street Parking Deck
 - Fire Station No. 2 Parking Deck
 - Upper Duval Parking Deck
 - Smathers Beach Parking Lot

Adaptation

Jose Marti Boulevard Reconstruction

- Estimated Costs: \$10 Million
- Elevate Roadway to account for Sea Level Rise
- Improve Drainage to relieve Flooding events
- Raise Sea Wall to reduce Tidal Impacts
- Improve access to School, KWPD, and neighborhood

Adaptation Atlantic Boulevard Reconstruction & Hardening

- Estimated Costs: \$15 Million
- Provide Newly Paved Roadways
- Elevate Roadway to account for Sea Level Rise
- Improve Drainage to relieve Flooding events
- Help Protect Neighborhoods north of Roadway
- Improve Multi-use Trail

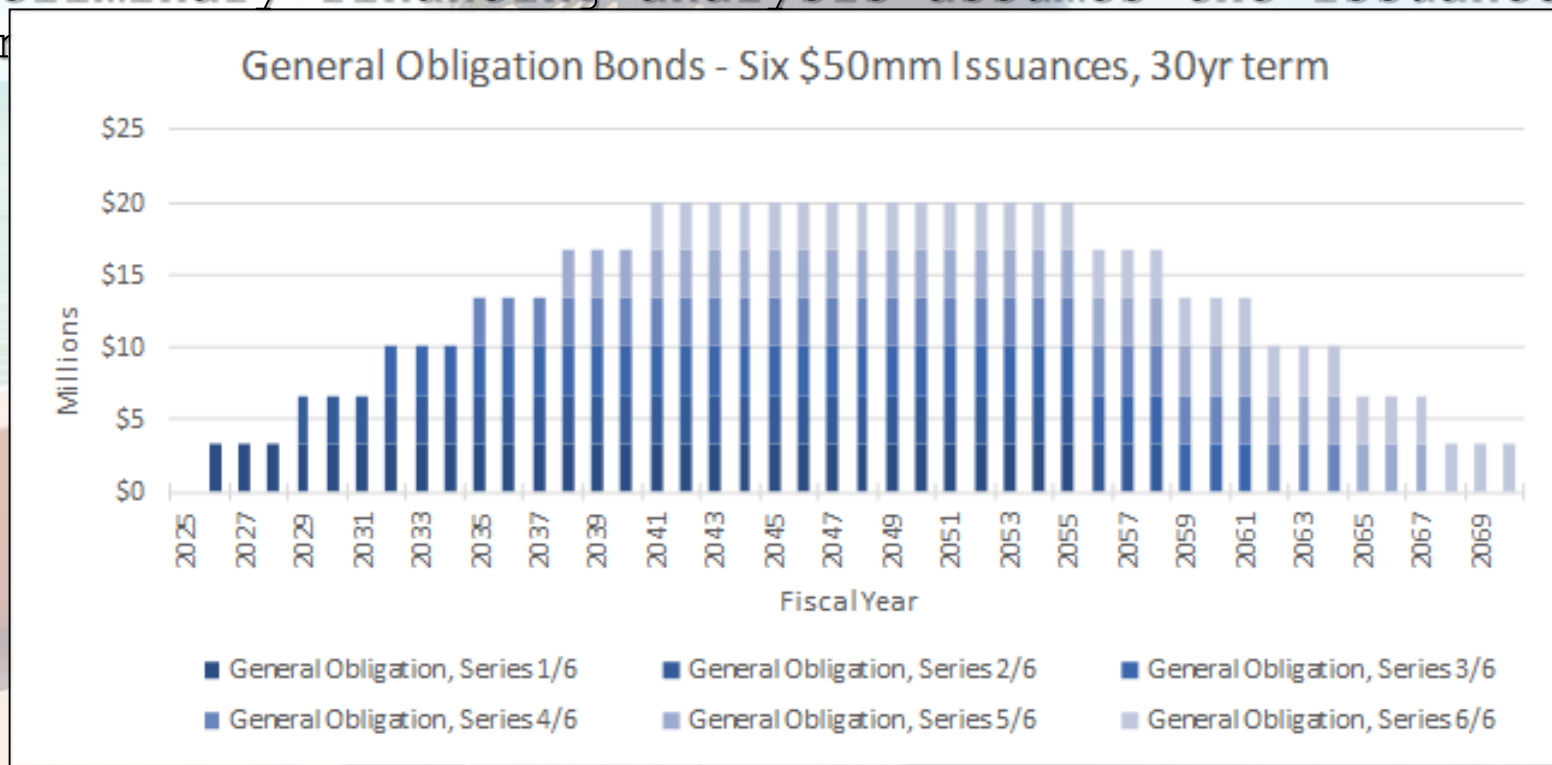
Adaptation

INFRASTRUCTURE

- Estimated Cost: \$74M
- City owned roads, buildings, and systems (stormwater/sewer)
- Wind hardening, Flood proofing, Energy & Water retrofits, Stabilization
- Projects will be guided by the Climate Adaptation Plan, which will present the City with a 10-year budget of prioritized projects, based on flooding, wind, heat and community input

GO Bond Financing Structure

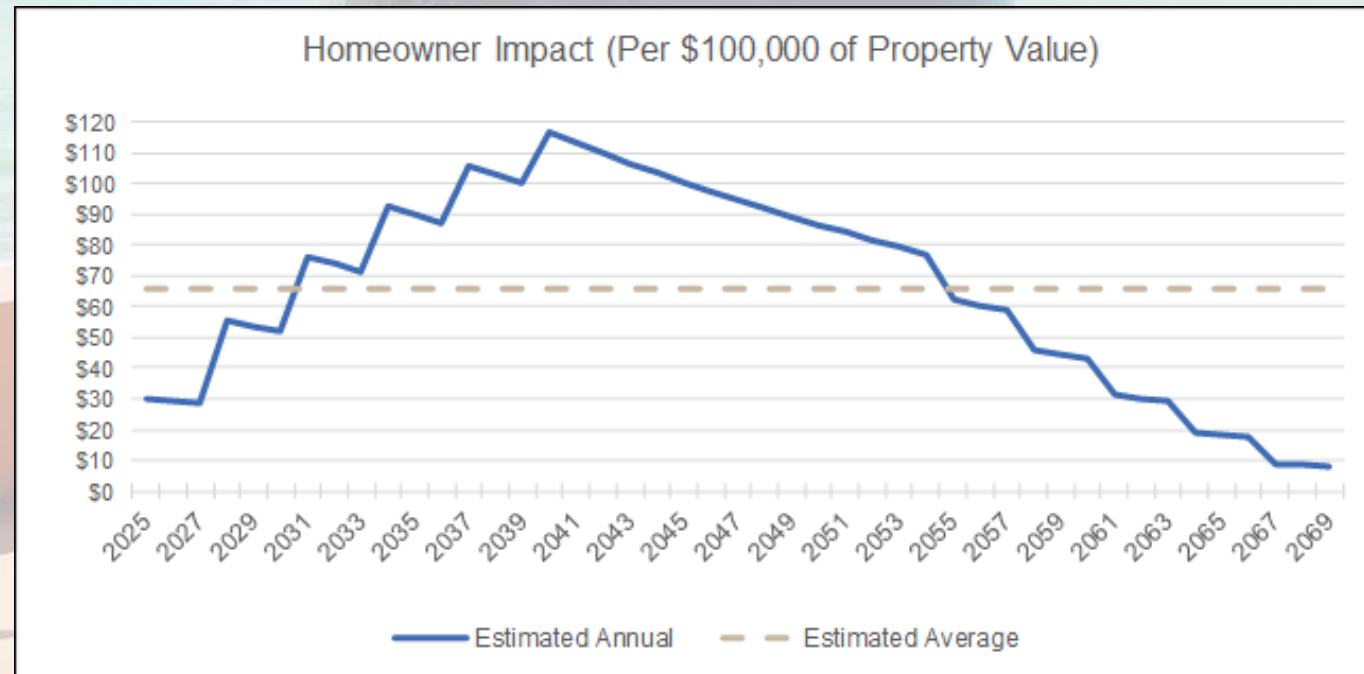
- Due to the time it will take to complete the projects, it is anticipated the \$300 million of GO Bonds will be issued over several years, instead of one large financing
 - Common strategy is to issue for 3-years worth of projects at a time
- Preliminary financing analysis assumes the issuance of 6 bond



*Preliminary Numbers for discussion purposes only. Based on estimated current market rates, changing market conditions may impact analysis.

Taxpayer Impact

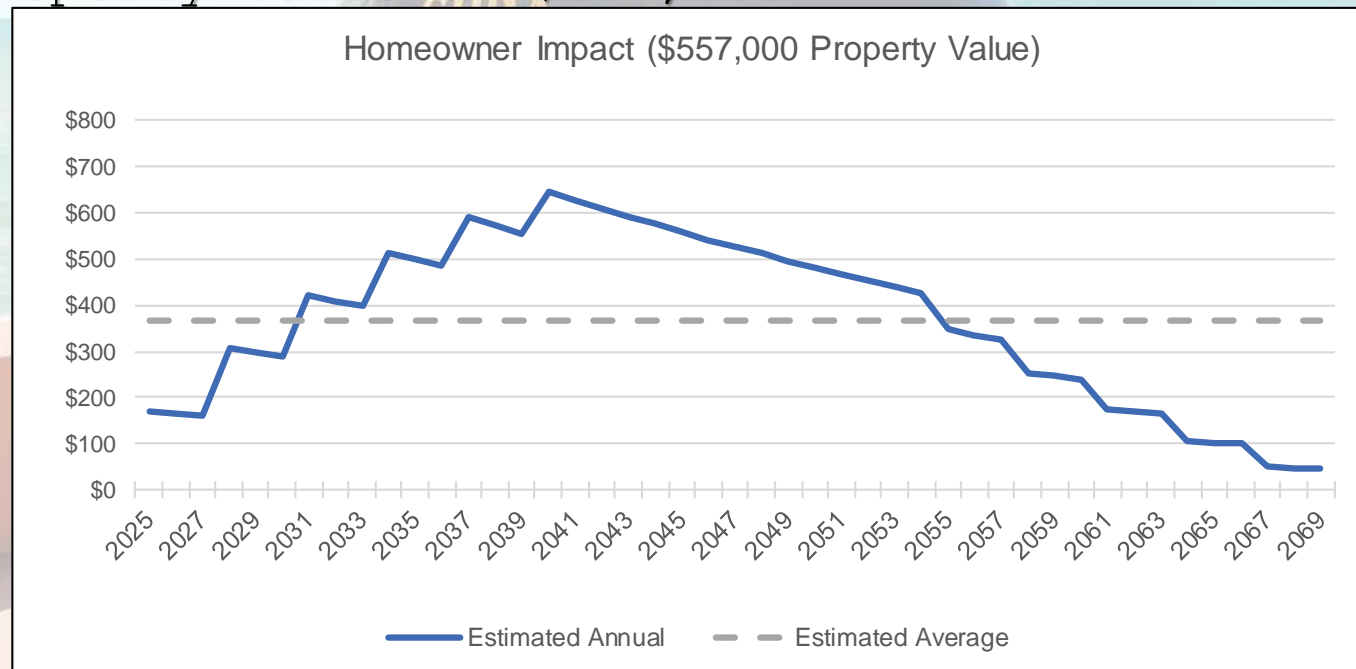
- Assuming all \$300 million of bonds are issued, the estimated millage impact per \$100,000 of taxable property value would average approximately \$66 per year
 - Analysis assumes an annual 3% growth in the City's total taxable value (after exemptions)
- Graph below shows estimated annual payments per \$100,000 based on preliminary financing structure



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Average Household Impact

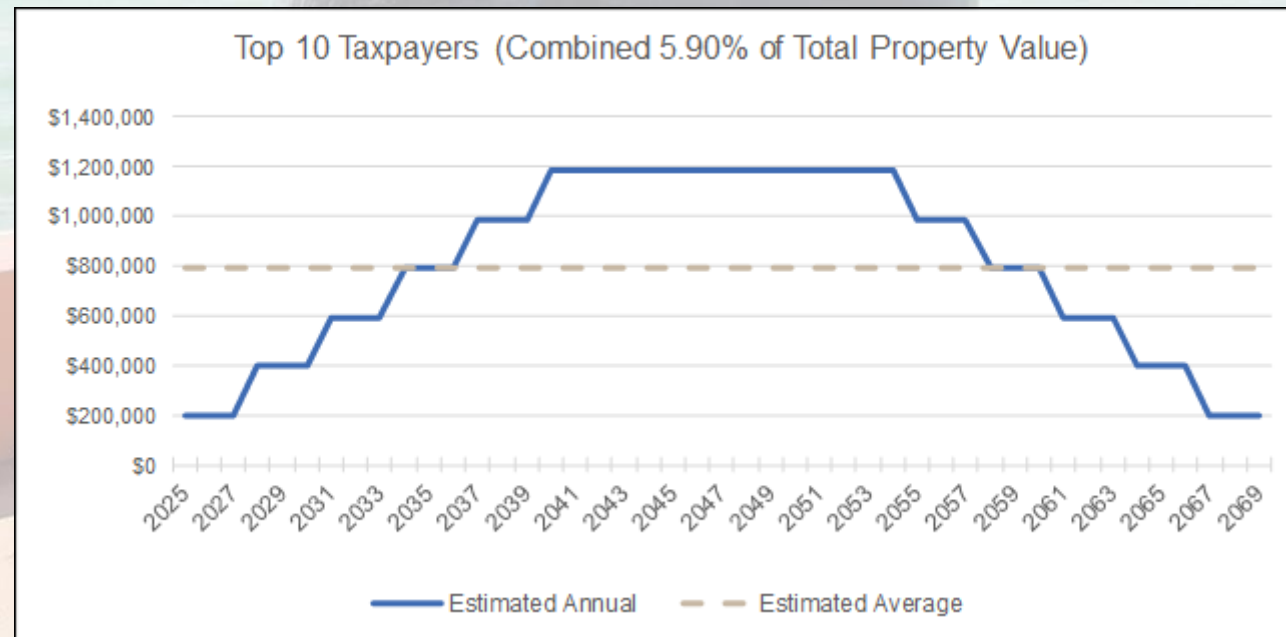
- The estimated millage impact on the City's average homestead property (taxable value of \$557,000) would average approximately \$367 per year
 - Assumes all \$300 million of bonds are issued
 - Overall tax base grows at annual rate of 3%
 - Average household impact based on a constant homestead property value of \$557,000



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Top 10 Taxpayer Impact

- Top 10 Taxpayers currently represent 5.9% of the City's total \$10.1 billion taxable value
 - Properties range in value from \$47.5-\$86.8 million
- Assuming the Top 10 Taxpayers maintain the same percentage of total taxable value, they are estimated to be billed a combined average of \$790,000 per year
 - Large commercial property owners will pay a significant share of the GO Bonds debt service



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GO Bond Considerations

- GO Bond related projects will create a stronger, safer and more resilient Key West
 - Related improvements are expected to help maintain the value of properties and improve citizens quality of life
- Voters will ultimately decide whether the GO Bonds and associated projects are approved
- Timing of the bond financings will be dependent on how quickly the projects are constructed
- Subsequent increases to the City's tax base (new construction) would reduce the impact to the average property tax bill

Questions?

