



### Agenda Item Details

Meeting	Jun 02, 2021 - City Commission Meeting
Category	13. POLICY FORMATION AND DIRECTION
Subject	13.05 Revisions to City Commission Policy 240, Industrial Revenue Bond Issuance Policy -- James O. Cooke, IV, City Treasurer-Clerk
Access	Public
Type	Action
Fiscal Impact	No
Budgeted	No
Recommended Action	Option 1: Approve revisions to Commission Policy 240, Industrial Revenue Bond Issuance Policy

### Public Content

For more information, please contact: Kent Olson, Deputy Treasurer-Clerk, (850) 891-8082

#### *Statement of Issue*

City Commission Policy 240, Industrial Revenue Bond Issuance, was originally adopted on June 12, 1984. The City Treasurer-Clerk's Office reviewed the Policy and has made some minor updates with input and assistance from Housing and Community Resilience. In addition, the Policy does need to have various ministerial revisions made in order to be in compliance with the latest format for City Commission policies. As part of this updated format, the Policy contains a sunset provision to ensure the Policy is reviewed again in five years.

#### *Recommended Action*

Option 1. Approve revisions to Commission Policy 240, Industrial Revenue Bond Issuance Policy.

#### *Fiscal Impact*

N/A

## Supplemental Material/Issue Analysis

#### *History/Facts & Issues*

The City's first Industrial Revenue Bond Issuance Policy was adopted on June 12, 1984. Industrial Revenue Bonds were a popular mechanism used to attract various commercial entities, especially manufacturing plants, to come to a new city and provide jobs for its residents. Industrial revenue bonds are tax-exempt obligations that, while issued under a local government's name, are not debt obligations of the local government but are obligations of the company that actually received the proceeds of the debt issuance. Limits were put on industrial revenue bonds by the Tax Equity and Fiscal Responsibility Act (TEFRA) of 1982 in order to reduce the issuance of tax-exempt debt to non-governmental entities. As a result, TEFRA has greatly reduced the number of industrial revenue bonds issued over the succeeding years.

While the City has issued only a few industrial revenue bonds since 1984, staff recommends that we continue to maintain a policy to address any requests we may receive in the future for such a financing. The Policy when it was adopted had economic development benchmarks to be met for applicants which wished to pursue an industrial revenue bond issue. While we have updated

some portions of the policy, we have kept the provisions that outlined these benchmarks to be true to the original purpose of the Industrial Revenue Bond Issuance Policy.

***Options***

Option 1. Approve revisions to Commission Policy 240, Industrial Revenue Bond Issuance Policy.

Option 2. Provide staff with additional guidance.

***Attachments/References***

Commission Policy 240, Industrial Revenue Bond Issuance Policy

Industrial Revenue Bond Policy 240 blacklined 5-07-21.pdf (51 KB)

Industrial Revenue Bond Policy 240 clean 5-07-21.pdf (30 KB)