



# City of Bonita Springs General Obligation Bond Referendum

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# What are General Obligation Bonds?

- ◆ General Obligation (GO) Bonds are a financing mechanism for capital projects
  - Bonds are backed by full faith and credit of the issuing municipality
  - Repaid through dedicated debt service millage levy (ad valorem tax)
  - City-wide voter referendum required to approve issuance of GO Bonds
- ◆ Projects financed with GO Bonds typically have broad community benefits, such as parks, public safety, or transportation projects
  - Bond financing allows “generational equity” for infrastructure projects, as it spreads cost of project over time
  - Project paid for by future and current taxpayers



## Parks and Recreation are Popular

- Florida has a long history of supporting parks and recreation referendums
- Below are recent successful GO referendums for parks and recreation in Florida

<b>Municipality</b>	<b>Voter Approval Rate</b>	<b>Year Approved</b>	<b>Referendum Amount</b>
Ft. Myers	67%	2024	\$ 75,000,000
South Miami	60%	2024	65,000,000
Key West	57%	2024	50,000,000
Port Orange	57%	2024	30,000,000
Delray Beach	63%	2023	20,000,000
West Palm Beach	82%	2020	30,000,000
Hollywood	59%	2019	64,000,000
Ft. Lauderdale	60%	2019	200,000,000
Cape Coral	54%	2018	60,000,000
Doral	53%	2018	150,000,000
Oakland Park	67%	2018	40,000,000
Sarasota County	71%	2018	65,000,000
Pasco County	72%	2018	20,200,000
Margate	58%	2018	25,000,000



# City's Outstanding Debt and Rating

- ◆ Bonita Springs has a very strong financial position with low outstanding debt
- ◆ City obtained rating for first time in October 2025, and S&P assigned an issuer credit rating of **AA+**
- ◆ **City's rating of AA+ is excellent and just one notch below highest rating of AAA**

Investment Grade Rating Categories		
Moody's	S&P	Fitch
Aaa	AAA	AAA
Aa1	<b>AA+</b>	AA+
Aa2	AA+	AA+
Aa3	AA-	AA-
A1	A+	A+
A2	A	A
A3	A-	A-
Baa1	BBB+	BBB+
Baa2	BBB	BBB
Baa3	BBB-	BBB-

City of Bonita Springs - Summary of Outstanding Debt

Obligation	Use of Proceeds	Issue Date	Issue Size	Interest Rate	Final Maturity	Outstanding Principal
Capital Improvement Rev Note, Series 2014	Capital Improvements to Downtown Bonita Springs	2/14/2014	\$ 13,000,000	2.96%	2/1/2029	\$ 3,075,000
Taxable Special Obligation Rev Note, Series 2020	Purchase of Land for Stormwater Improvements	8/27/2020	5,060,000	2.49%	8/1/2035	4,030,000
Local Govt Emergency Bridge Loan, Series 2024	Governmental Operations	12/1/2023	2,000,000	0.00%	10/3/2033	2,000,000
<b>Total</b>			<b>\$ 20,060,000</b>			<b>\$ 9,105,000</b>

Source: City of Bonita Springs FY 2024 ACFR



## Steps for Issuance of General Obligation Bonds

- 1. Select Amount of Bonds and Estimate Financial Impacts:** City determines amount of bonds for referendum and provides preliminary millage estimates
- 2. Draft Authorizing Ordinance/Resolution:** City Council directs staff to proceed, City Attorney and Bond Counsel draft ordinance/resolution authorizing bond referendum
- 3. City Council Meeting:** Approve and adopt ordinance/resolution with project, ballot language, and referendum date
- 4. Educational Outreach:** Community informational sessions on project and estimated millage impact
- 5. GENERAL OBLIGATION BOND REFERENDUM DATE**
- 6.** Lee County Supervisor of Elections performs canvas of referendum and City Council accepts results
- 7.** Bond Counsel prepares draft bond documents for bond validation (if required)
- 8.** Finalize bond structure, issue bonds, receive funds
- 9.** Finalize land acquisition



## General Obligation Bonds - Millage

- Depending on amount of project and length of financing, millage impact based on 2025 taxable assessed value (TAV) ranges from \$49 - \$88 annually for City's average homestead residential value of \$441,137

<b>Bond Proceeds</b>	<b>\$30,000,000</b>	<b>\$35,000,000</b>	<b>\$45,000,000</b>
Debt Issuance Costs	450,000	525,000	675,000
Net Proceeds	<u>\$29,550,000</u>	<u>\$34,475,000</u>	<u>\$44,325,000</u>

### **20 Years**

Debt Service Payment	\$2,356,514	\$2,749,266	\$3,534,771
Millage	0.13	0.16	0.20
Average Annual Homeowner Payment	\$59	\$69	\$88

### **30 Years**

Debt Service Payment	\$1,951,543	\$2,276,800	\$2,927,315
Millage	0.11	0.13	0.17
Average Annual Homeowner Payment	\$49	\$57	\$73

*Preliminary and subject to change. Assumptions: 2025 Taxable Assessed Value of \$18,354,108,000 and Average Homestead Residential Value of \$441,137. 20-year interest rate estimated at 4.75% and 30-year interest rate estimated at 5.00% (conservative interest rate assumptions based on current market conditions plus 50 basis points).*



## General Obligation Bonds – TAV Fluctuation

- City's TAV has compounded annual growth rate (CAGR) of 9% for 2016 – 2025
- Annual GO Bond debt service payment remains constant once bonds are priced and closed
- If City's TAV **increases at greater rate than 3%** (cap for homesteaded properties), G.O. Bond millage rate for homesteaded properties will **decrease**
- If City's TAV **decreases or increases at rate lower than 3%**, G.O. Bond millage rate for homesteaded properties could **increase**

### City of Bonita Springs Taxable Assessed Value Growth

Year	Taxable Assessed Value	YoY Growth
2016	\$ 8,333,832,234	-
2017	9,178,599,996	10%
2018	9,984,969,763	9%
2019	10,519,798,753	5%
2020	11,292,473,193	7%
2021	11,779,983,489	4%
2022	12,486,354,701	6%
2023	14,314,866,319	15%
2024	15,601,171,673	9%
2025	18,354,108,200	18%
CAGR (2016 - 2025):		9%



## Example Timing for City GO Bonds

<u>Date</u>	<u>Action</u>
March 2026	City Attorney and Bond Counsel prepare ordinance/resolution authorizing bond referendum
April 2026	City Council adopts ordinance/resolution authorizing referendum and ballot question
April – July 2026	Education outreach to voters on general obligation bond
June – July 2026	City Clerk publishes notices of bond referendum
<b>August 18, 2026</b>	<b>Referendum - vote on general obligation bond issue</b>
August 2026	City Council accepts results of referendum
August – September 2026	City, Bond Counsel, and Financial Advisor prepare documents for bond issue
October – November 2026	City Council adopts ordinance/resolution approving bond issue; general obligation bond pricing and closing



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