



Office of Management and Budget
General Guidelines for Bondable Capital Improvements

(Applies to BBC-GOB and CIIP Programs)

Revised 3/24/2023

Definitions

- Additions
 - Refers to built-in, special-purpose structures, or other fixed equipment, which is permanently affixed or connected to real property and removal would cause consequent damage to the building
- Art in Public Places (APP)
 - Promotes collaboration and creative arts projects improving the visual quality of public places by allocating 1.5% of construction costs of new county buildings and major renovations
- Bond
 - A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specific rate
 - The County sells bonds as a means of borrowing revenue for costly projects and repays the debt to the lender over an extended period
- Bond Funds or Proceeds
 - Money obtained from the sale of bonds, which may be used for the construction or renovation of County facilities, acquisition of related equipment and other allowable uses
- Buildings
 - Facilities with a roof and walls that have a foundation
- Building Systems
 - Critical systems of a facility such as Electrical, HVAC, Security, Life Safety, Lighting, Utilities, Telecom, and Energy Management
- Durable
 - Able to withstand wear, pressure or damage for extended periods of time
- Fixtures, Furniture and Equipment (FFE)
 - Fixtures – items permanently affixed to building or property (e.g. doors, bathrooms stalls, A/C units etc.)
 - Furniture – indoor furnishings needed to allow proper use of a building (e.g. desks, chairs, tables, etc.)
 - Equipment – tangible property directly related to the project (e.g. bleachers, A/V equipment, etc.)
- Recurring Expenses
 - Ongoing general and/or administrative operating expenses incurred at frequent or regular periodic intervals
- Remodel
 - Capital improvement projects modifying capacity, altering spatial relationships or altering the functional capabilities of a structure or facility
- Rehabilitate
 - Capital improvement having the primary purpose of restoring or upgrading an existing area to original operating condition
- Planning
 - The architectural and engineering design required for organizing the construction or installation of bondable capital improvement projects
 - Includes schematic design, definitive design, and construction documents
 - Expenditures for long-range development plans, master plans, surveying, preliminary engineering studies, aerial mapping, feasibility studies, or other expenditures similar in character are typically considered bondable
- Utilities
 - Shall mean and include expenditures for the acquisition, construction, replacement, modernization, and/or extension of systems for distribution utility services (ex. electricity, gas, water, etc.)

IMPORTANT: These guidelines are for use as a reference tool only. Final determination of bondable expenditure eligibility will be at the discretion of the Office of Management and Budget, the Finance Department's Bond Administration Division and Tax Counsel.

The purpose of these guidelines is to prescribe the policies and principles to be followed in determining eligibility of a specific capital program/project to be funded from bond proceeds. The Building Better Communities General Obligation Bond (BBC-GOB) program and the Countywide Infrastructure Investment Program (CIIP) are two examples of programs that utilize bond proceeds as the funding source. Please keep in mind that both BBC-GOB and CIIP have specific rules and additional restrictions established during each program's inception on the use of funding.

General Guidelines for Bondable Capital Improvements

A bondable capital program/project is one for which:

1. The expenditures generally include, but are not limited to, one or more of the following purposes:
 - architectural planning and engineering design
 - land and/or building acquisition
 - demolition (in preparation for additional work or remedy code violation)
 - site preparation and improvement
 - utility work
 - new construction of buildings and structures
 - reconstruction or improvement of existing buildings or structure
 - original furnishings and durable equipment
 - replacement of existing building systems/components with new
 - expansion of existing buildings or facilities
 - direct costs associated with the issuance of bonds
 - Includes advertising, printing, bond rating, security, legal and financial services, etc.
 - any other work which hardens/reinforces and significantly increases the useful life of a building or structure used by the County
2. The useful life of the project is greater than or equal to the average life of the bond issuance from which the project is financed. Essentially, a project, once complete, must be kept in service for a minimum of approximately 25 years.

General Guidelines for Utilization of Bond Proceeds

In general, any expenditure shall be considered appropriate for financing from bond proceeds as long as they:

1. Are not recurring
2. Can be characterized as durable and not a one-time use
3. Reflect an extended useful life or longevity
4. Are not subject to inherent risk of failure, rapidly becoming obsolete due to technological advances, or primarily intended to fulfill temporary requirements or needs
5. Reflect a direct interest of the County in any real property to be improved
6. Considerably increases, improves, or enhances the equitable interests of the County in capital facilities, land, permanent improvements, and related assets
7. Are required as part of a project and significantly contribute to the effective functioning of a larger bondable project

General Examples of Non-Bondable Expenditures

In general, the following expenditures are not be considered appropriate to finance from bond proceeds:

1. Operational and administrative expenses (e.g. travel, commodities, non-initial equipment)
2. Personnel Costs
 - Except those in direct support and management of a specific capital program/project
3. Lease payments for rental of equipment or facilities
4. Expenditures to acquire or construct temporary facilities
5. Purchase of automobiles, trucks, farm equipment, boats or rolling stock
 - Although not generally considered a bondable expense, the County issues specific bonds to procure fleet
 - For any questions regarding Fleet financing and vehicle purchase, please contact Yoamel Zequeira (Yoamel.zequeira@miamidade.gov)
6. Livestock or laboratory animals
7. Unpredictable or unusual legal expenses
8. Work that contains repairs, maintenance or remodeling

For general questions or additional assistance regarding bond financing eligibility, please contact the Office of Management and Budget Capital Team through email at OMB-CAPADM@miamidade.gov.

If you have specific questions regarding the BBC-GOB or CIIP programs, please reach out to each team respectively:

- BBC-GOB: OMB-BPA@miamidade.gov
- CIIP: OMB-CIIP@miamidade.gov

The following list below is a simplified chart by capital account to assist with determining whether a project expense can be funded by bond proceeds

TYPE of PROJECT	BONDABLE EXPENDITURES	NON-BONDABLE EXPENDITURES
Planning	<ul style="list-style-type: none"> ▪ A/E design for construction or installation (from Schematic design to working drawings) ▪ Construction management and observation ▪ Costs of the following are eligible only if done as part of a larger (grant funded) bondable project: <ul style="list-style-type: none"> • Environmental assessments • Wetland delineations • Historical properties studies/surveys 	<ul style="list-style-type: none"> ▪ Long-range development plans ▪ Facility surveys ▪ Feasibility studies ▪ Energy audits ▪ Program or scope statements ▪ Archeological digs
Land and Building Acquisition	<ul style="list-style-type: none"> ▪ Acquisition costs of all improved or unimproved real property including appraisal fees, title opinions, surveying tees, real estate fees, title transfer taxes, condemnation and related legal expenses 	<ul style="list-style-type: none"> ▪ Acquisition of leasehold interests through rental of real property ▪ Relocation costs
Utilities	<p><i>Installation or replacement of:</i></p> <ul style="list-style-type: none"> ▪ Potable, high temperature or domestic water systems ▪ Electrical systems including components or telecommunications equipment ▪ Steam and condensate return systems ▪ Storm and/or sanitary sewers ▪ Fire hydrants, standpipes and central fire and security alert systems ▪ Lighting systems and tap-ons or extensions of existing utility systems ▪ Automated temperature or environmental control systems and air or water pollution control systems, including installing energy management control computers ▪ Waste disposal systems for contaminated radioactive, hazardous or surgical waste ▪ Solar heating associated with a larger bondable project ▪ Sewage and water treatment facilities ▪ Earth moving to create artificial lakes, reservoirs or for utility or other related conservation purposes ▪ Restoration to original condition of natural or manmade features at the site of any utility installation ▪ Trenches or ditches dug for the purpose of laying tile or providing ducts to remove excessive rainfall and prevent erosion 	<p><i>Minor changes such as repairing or replacing:</i></p> <ul style="list-style-type: none"> ▪ Leaking corroded wiring or pipes ▪ Radiators, coils, fans, motors, re-tubing boilers, central valves, thermostats, timers or meters ▪ Installing energy management control computers ▪ Duct work return air systems, and heat reclamation systems ▪ Solar heating or cooling systems ▪ Telephone or communications systems ▪ Paging systems, lines for television or computer monitoring for security or energy management ▪ Installation of energy conservation equipment or changes to existing systems to reduce energy consumption ▪ Installation of insulation

TYPE of PROJECT	BONDABLE EXPENDITURES	NON-BONDABLE EXPENDITURES
Buildings, Additions or Structures	<ul style="list-style-type: none"> ▪ New construction of buildings or structures ▪ New additions to existing buildings or structures ▪ Reconstruction of an existing building or structure (including installation of new structural or interior walls, floors, ceilings, utilities, interior finishes, carpeting, furnishings, and equipment along with demolition) ▪ Exterior work to surface, structure, or foundation to extend useful life ▪ Roof Work: limited to removal of the system to the decking as well as stone, metal, or other work to control water damage ▪ <i>Costs of the following are eligible only if done as part of a larger bondable (grant funded) project:</i> <ul style="list-style-type: none"> • Interior work such as painting or plastering, sanding, replacing electrical and light fixtures, decorative remodeling, paneling, handicapped accessibility improvements, moving toilets, water fountains, telephone, etc. • Fire alarms, smoke detectors, fire doors and hall partitions, vent dampers, automatic door closers, etc. 	<ul style="list-style-type: none"> ▪ Normally anticipated exterior repairs (e.g., patching concrete, filling or sealing cracks, painting, caulking, insulation, plastering, etc.) ▪ Roof repairs, patching, replacing shingles, spot treatment, adding gravel or other materials, replacing gutters, fascia, downspouts, etc.
Site Improvements	<ul style="list-style-type: none"> ▪ Demolition, when done in preparation for additional bondable construction ▪ Grading of site, construction or replacement of sidewalks, terracing, exterior lighting, seeding/sodding if part of a larger bondable project ▪ Replacement of bridges/tunnels, ramps, curbs, overpasses, and underpasses ▪ Landscaping, installation of plant material only if associated with a bondable project ▪ Construction of a new road, parking lot or campground; extension of a road, parking lot or campground ▪ Upgrade of road or parking lot 	<ul style="list-style-type: none"> ▪ Repairs of existing roads to preserve useful life ▪ Repairs to existing bridges such as sandblasting, painting, sealing, or resurfacing ▪ Seeding or sodding for erosion control, installation of plants or landscaping not a part of a larger bondable project ▪ Leaking underground storage tank fees ▪ Demolition, in cases where no additional bondable construction is part of the project
Durable Movable Equipment	<ul style="list-style-type: none"> ▪ Heavy Duty Fire Protection Apparatus ▪ <i>Acquisition, transportation, and installation initial movable equipment associated with a larger bondable (grant-funded) project:</i> <ul style="list-style-type: none"> • Office and household equipment and furniture • Machinery, implements and major tools • Scientific instruments and apparatus except for those with short useful life • Books, maps, paintings and other FFE <ul style="list-style-type: none"> • Inclusive of purchase through APP program 	<ul style="list-style-type: none"> ▪ Commodities ▪ Livestock ▪ Rolling stock including cars, trucks, boats, and related items ▪ Spare and replacement parts ▪ Items such as glassware, crockery, etc. ▪ Computers, related equipment, and software