

CITY OF APOPKA, FLORIDA

REQUEST FOR PROPOSAL (RFP #2016-04)

TO PROVIDE TAX-EXEMPT, BANK QUALIFIED FINANCING

Capital Improvement Revenue Note, Series 2016

RFP Issue Date: February 5, 2016

Proposal Due Date: March 7, 2016

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Comprehensive Financial Audited Report – FYE 2012-2014

<http://www.apopka.net/images/2014%20apopka%20final.pdf> - 2014

<http://www.apopka.net/images/2013%20apopka%20cafr.pdf> - 2013

<http://www.apopka.net/images/2012%20apopka.pdf> - 2012

Adopted FYE 2016 Annual Proposed Budget

<http://www.apopka.net/images/Finance/2015-2016%20Budget%20Book%20-Final.pdf>

A. REQUEST FOR LOAN

The City of Apopka, Florida (the “City”) will issue their Capital Improvement Revenue Note, Series 2016 (the “Series 2016 Note”) in an aggregate principal amount not to exceed \$1,825,000. The Series 2016 Note will finance various capital improvement for the City as listed below.

Fire Dept. Vehicles	\$ 737,500
Police Dept. Vehicles	580,500
Facilities & Ground Maint. Equip.	105,000
Recreation / Athletic Complexes Equip.	265,500
Additional Capital Equipment	105,000

The Series 2016 Note will be secured by a covenant to annually budget and appropriate non-ad valorem revenues of the City sufficient to pay the principal and interest on the loan. The Proposal for a “Bank Qualified”, tax-exempt fixed rate loan should be submitted based upon the proposed financing structure below.

The City shall accept and review proposals from qualified banking institutions. The City will select the bank financing that provides the lowest overall borrowing cost to the City and meet the financing requirements of the City. FirstSouthwest, a division of Hilltop Securities Inc. (“FirstSouthwest”), Orlando, Florida, as the City’s Financial Advisor, will be assisting the City in obtaining the bank loan.

B. STRUCTURE OF FINANCING

Amount:	Not to Exceed \$1,825,000
Settlement Date:	Expected on or about March 21, 2016
Rate:	Bank Qualified (BQ), fixed rate for entire term of the Note.
Prepayment:	The City requests the ability to prepay the loan without penalty. Other prepayment provisions will be considered.
Final Maturity:	March 1, 2021
Interest Payments Dates:	Semi-annually on, March 1 st , and September 1 st Commencing September 1, 2016.
Interest Compounding	None
Interest Day Count Method	Please specify in proposal
Annual Principal Payment Date:	Commencing March 1, 2017.

Preliminary Amortization Schedule*:	3/1/2017	\$344,000
	3/1/2018	354,000
	3/1/2019	365,000
	3/1/2020	375,000
	3/1/2021	<u>387,000</u>
		\$1,825,000

* Preliminary; subject to change.

C. SECURITY FOR THE LOAN

The security for the loan shall be secured by a covenant to budget and appropriate from legally available Non-Ad Valorem Revenues of the City in amounts sufficient to repay the principal and interest of the loan. Such covenant to budget and appropriate shall not prohibit the City from pledging such Non-Ad Valorem Revenues, or any portion thereof, to secure other debt issued in the future. The loan shall not be considered a general obligation of the City. Neither the full faith and credit nor taxing power of the City, State of Florida or any political subdivision thereof will be pledged to the payment of the loan.

D. TAX-EXEMPT OBLIGATION

The City will agree to take such actions as may be required by Treasury regulations in order to maintain the status of the Series 2016 Note as a tax-exempt obligation.

E. DOCUMENTATION

Nabors, Giblin & Nickerson, P.A., (“Bond Counsel”) shall prepare the Series 2016 Note and other documents to close the Loan. The selected bank will be furnished, without charge to the bank, the opinion of the City’s Bond Counsel, approving the legality of the Loan together with the closing certificates and documents related to the transaction. FirstSouthwest will also assist the City in structuring the loan to meet the financing objectives of the City.

At the closing of the Loan, the financial institution will be required to make certain certifications, including, but not limited to, signing a closing certificate that:

- a. FirstSouthwest, a division of Hilltop Securities Inc. is not serving as a placement agent
- b. It is making the Loan for its own account, does not currently intend to syndicate the Loan, will take no action to cause the Loan to be characterized as a security, and will not treat the Loan as a municipal security for purposes of the securities law;
- c. it is not acting as a broker or other intermediary, and is funding the Loan from its own capital for its own account and not with a present view to a resale or other distribution to the public,
- d. the Loan will not be used in the future on a securitized transaction and is not a municipal security;
- e. it understands that the Loan is evidenced by a note and the note is issued in a single denomination equal to the aggregate principal amount of the Loan and may not be transferred except in whole

and will not be transferred to any kind of trust under any circumstances, and confirming that it understands the Loan may not be transferred in denominations less than \$100,000 even in whole;

- f. the Loan will only be sold to a Permitted Lender in whole, in a denomination of not less than \$100,000, with the City's consent. The "Permitted Lender" means any bank, trust company, savings institution or insurance company that is engaged as a regular part of its business in making loan authorized to do business in the State of Florida;
- f. the Lender is a bank, trust company, savings institution, insurance company, dealer, investment company, pension or profit-sharing trust, or qualified institutional buyer as contemplated by Section 517.061(7), Florida Statutes;
- g. it is not funding the Loan for the direct or indirect promotion of any scheme or enterprise with the intent of violating or evading any provision of Chapter 517, Florida Statutes;
- h. understands that the Loans is not a municipal security and that no filing will be made with respect to the Loan with EMMA, the Municipal Securities Rulemaking Boards continuing disclosure site;
- i. there will be no CUSIPs obtained on the Loan; and
- j. there will be no credit rating obtained on the Loan

F. PROPOSAL FORMAT – SELECTION CRITERIA

Proposals will be evaluated on the basis of cost and the structure that best meets the financing requirements of the City.

Further, the City will accept proposals that provide for the ability to prepay the Loan in whole or in part at any time without penalty. Prepayment penalties will be considered.

In order to assist the City and FirstSouthwest in reviewing the responses, each proposal should include the following information.

- (1) The legal name of the Bank and the primary Bank contact person(s) (include address, telephone number, facsimile number, and e-mail address).
- (2) Fixed Interest Rates for the full term of the Loan. The bidder shall give a stated time in which the proposed rate will be held as well as the index in which the rate shall be calculated should the stated time elapse.
- (3) Describe in detail all fees and expenses which the City will be responsible to pay to the Bank including its legal counsel. The City has retained the law firm of Nabors, Giblin & Nickerson, P.A., to prepare the tax opinion and bond resolution. The amounts stated in the proposal shall represent the maximum amounts payable to the Bank by the City. All fees and expenses, with the exception of those of Bond Counsel and FirstSouthwest, in excess of those stated in the proposal shall be the sole responsibility of the Bank and will not be paid or reimbursed by the City.
- (4) A listing of all conditions, covenants, terms or restrictions, other than those specified in this RFP, which would be included in your commitment to provide the Loans.

G. MISCELLANEOUS

- (1) The City will not accept proposals with reserve requirements or other restrictions to revenues or requirements to maintain minimum balances in any bank account as a condition for the Loans.
- (2) The City reserves the right, in its sole discretion, to accept or reject any and all bids, to waive any irregularities or informalities in any bid or in the bidding, and to accept or reject any items or combination of items. If a bank financing proposal is selected, the award will be to the financial institution whose response best complies with the requirements set forth in this RFP and whose bid, in the opinion of the City and Financial Advisor is best, taking into consideration all aspects of the offeror's response.
- (3) Changes to this RFP may be made by and at the sole discretion of the City.
- (4) The City will not be liable for any expenses incurred in connection with the preparation of a response to this RFP.
- (5) The bidder is required to conduct its own investigation and evaluation of the creditworthiness of the Loan. The Proposal has provided a link to the City's Website <http://www.apopka.net/> which has information regarding the City and its financial statements. Additional financial information will be provided upon request by the bidder and is NOT in any way intended to relieve the bidder of its responsibility to investigate all relevant or material facts in reaching a credit decision with respect to the loan. **All requests for clarification or additional information should be directed to:**

Ms. Pamela N. Barclay
Finance Director
City of Apopka
150 East 5th Street
Apopka, FL 32703
pbarclay@apopka.net
- (6) Federal, State, City and local laws, ordinances, rules and regulations that in any manner affect the items covered herein apply. Lack of knowledge by the Bank will in no way be a cause for relief from responsibility.
- (7) No successful offeror may assign any portion of the contractual agreement between the parties without prior written authorization by the City.
- (8) Warranties – The offeror, in submission of its proposal, warrants to the City that it will comply with all applicable federal, state and local laws, regulations and orders in providing the services under the proposed documents.

H. TENTATIVE SCHEDULE*

The City will attempt to adhere to the following schedule:

February 5, 2016	Issue Request for Proposal (RFP)
March 7, 2016	Bank Proposals Due Prior to 2:00 P.M.
March 16, 2016	City Council meeting - Approval of loan documents
March 21, 2016	Closing of the Loan

*Subject to change.

I. RFP INSTRUCTIONS

Please submit **one (1) unbound original, five (5) bound copies** and **one (1) digital copy** to the City, preferably in PDF format on or before 2:00 PM on March 7, 2016 and **one (1) electronic copy** to FirstSouthwest, a division Hilltop Securities as follows:

City of Apopka
City Clerk's Office
City of Apopka
120 E. Main Street
Apopka, FL 32703
(407) 703-1704 Ph

FirstSouthwest
Mr. Mark P. Galvin
Director
FirstSouthwest, a Division of
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Orlando, Florida 32801
(407) 426-9611 Ph
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