



MEMORANDUM

Office of the City Attorney

001158

Phone: 334-5011/Fax 334-2229
Box 46

TO: Mayor and City Commission

DATE: April 9, 2001

FROM: City Attorney

CITY ATTORNEY
RESOLUTION

SUBJECT: A Resolution of the City Commission of the City of Gainesville, Florida, authorizing the negotiation of a loan in an aggregate amount not to exceed \$4,500,000 from the First Florida Governmental Financing Commission; approving the acquisition, construction, reconstruction, improvement and equipping of certain capital projects and the refinancing of a prior loan made by the Commission to the City; approving the execution and delivery of a Loan Agreement with the First Florida Governmental Financing Commission; approving the execution and delivery of an Escrow Deposit Agreement; providing certain other matters in connection with the making of such loan; approving the execution of and delivery of a Continuing Disclosure Certificate; repealing obsolete Resolution No. 001009; and providing an effective date.

Recommendation: The City Commission adopt the proposed Resolution.

On February 26, 2001 the City Commission adopted Resolution No. 001009 which authorized the City to enter into a loan agreement with the First Florida Governmental Financing Commission (FFGFC) for the acquisition of five fire vehicles as well as all of FY02 budgeted fleet acquisitions.

Subsequent to the adoption of this resolution, an alternative financing structure has been proposed. Under the proposed structure, in addition to the new money needs for vehicle acquisitions contained in the original resolution, several participating members of the FFGFC, including Gainesville, identified potential refunding opportunities. The revised bond issue, which calls for the refunding of \$900,000 in FFGFC Series 1996 bonds, will provide a modest debt service savings to Gainesville over the next eight years while spreading the debt issuance costs over a greater number of participants in the issue.

The proposed resolution authorizes the City to enter into a loan agreement with the FFGFC, and authorizes the Mayor, Clerk and other City officials to execute documents required by the FFGFC as a prerequisite to making the loan, subject to the approval of the City Attorney as to form and legality. The FFGFC will issue revenue bonds to provide the funds

Prepared by: Mark S. Benton
Mark Benton, Finance Director

Submitted and
approved by: Marion J. Radson
Marion J. Radson, City Attorney

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA, AUTHORIZING THE NEGOTIATION OF A LOAN IN AN AGGREGATE AMOUNT NOT TO EXCEED \$4,500,000 FROM THE FIRST FLORIDA GOVERNMENTAL FINANCING COMMISSION; APPROVING THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION, IMPROVEMENT AND EQUIPPING OF CERTAIN CAPITAL PROJECTS AND THE REFINANCING OF A PRIOR LOAN MADE BY THE COMMISSION TO THE CITY; APPROVING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT WITH THE FIRST FLORIDA GOVERNMENTAL FINANCING COMMISSION; APPROVING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION WITH THE MAKING OF SUCH LOAN; APPROVING THE EXECUTION OF AND DELIVERY OF A CONTINUING DISCLOSURE CERTIFICATE; REPEALING OBSOLETE RESOLUTION NO. 001009; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, participating Florida counties and cities (the "Members") have created the First Florida Governmental Financing Commission (the "Commission") pursuant to that certain Interlocal Agreement dated November 26, 1985 (as amended from time to time, the "Interlocal Agreement") between various Florida counties and municipalities from time to time, including Broward County, the City of Boca Raton, the City of Clearwater, the City of Gainesville, the City of Hollywood, the City of St. Petersburg and the City of Sarasota, and pursuant to Chapter 163, Part I, Florida Statutes, for the purpose of issuing its bonds to make loans to participating Members for qualified projects; and

WHEREAS, the City Commission of the City of Gainesville, Florida (the "Borrower") heretofore adopted Resolution No. 001009 on February 26, 2001 (the "Prior Resolution"); and

WHEREAS the City Commission of the Borrower desires to repeal the Prior Resolution; and

WHEREAS, the Commission is in the process of issuing its First Florida Governmental Financing Commission Improvement and Refunding Revenue Bonds, Series 2001 (the "Bonds") and is seeking to make loans (the "Loans") to Members; and

WHEREAS, it is hereby determined that a need exists to borrow funds to finance the cost of the Project (as hereinafter defined) and to refinance all or a portion of the loan made by the Commission to the Borrower from the proceeds of the First Florida Governmental Financing Commission, Revenue Bonds, Series 1996 (the "Refinancing"); and

WHEREAS, it is determined to be in the best interest of the Borrower to borrow funds from the Commission from the proceeds of the Bonds to finance the cost of the Project and for purposes of the Refinancing.

NOW THEREFORE, BE IT ENACTED BY THE CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA, as follows:

SECTION 1. This Resolution is adopted pursuant to Chapter 166, Part II, Florida Statutes, and other applicable provisions of law.

SECTION 2. The Borrower hereby repeals the Prior Resolution. The Borrower hereby authorizes the acquisition, construction, reconstruction, improvement and equipping of certain capital projects including but not limited to acquisition of fire trucks and other fleet equipment (the "Project"). The Borrower hereby authorizes the Refinancing.

SECTION 3. Due to the complicated nature of the transaction described above and the ability of the Commission to access additional markets and for the Borrower to receive the benefits of lower interest rates and issuance costs, it is hereby determined that it is in the best interest of the Borrower that the Loan to the Borrower be made from the proceeds of the Bonds, as opposed to the Borrower borrowing funds pursuant to a public sale.

SECTION 4. The Mayor or Mayor Pro-Tempore, and the Clerk of the City Commission or the Deputy Clerk of the City Commission or any other appropriate officers of the Borrower are hereby authorized and directed to execute and deliver a Loan Agreement (the "Loan Agreement") to evidence the Loan, to be entered into by and between the Borrower and the Commission in substantially the form attached hereto as Exhibit A with such changes, insertions and omissions as may be approved by the Mayor or Mayor Pro-Tempore and the Clerk of the City Commission or Deputy Clerk of the City Commission, the execution thereof being conclusive evidence of such approval, subject to the approval of the City Attorney as to form and legality.

SECTION 5. The amount of the Loan of the Borrower evidenced by the Loan Agreement shall not exceed \$4,500,000. Such Loan shall be made at a discount which shall include a pro-rata portion of costs of issuance incurred by the Commission and shall bear interest and shall be repayable according to the terms and conditions set forth in the Loan Agreement authorized pursuant to Section 2 hereof with such changes, insertions and omissions as may be approved by the Mayor or Mayor Pro-Tempore and the Clerk of the City Commission or Deputy Clerk of the City Commission, subject to the approval of the City Attorney as to form and legality, but such Loan shall bear interest at a true interest cost rate not in excess of 5.60%, shall mature no later than July 1, 2010 and such Refinancing shall generate net present value savings. The redemption provisions, if any, relating to such Loan shall be as provided in the Loan Agreement, and the principal amounts and maturity dates of the loan which is to be refinanced and the redemption date of such loan will be determined in the Escrow Deposit Agreement.

SECTION 6. The Bonds will be issued pursuant to a Trust Indenture (the "Trust Indenture") to be executed by the Commission and SunTrust Bank, as Trustee, and such Trust Indenture, in substantially the form as attached hereto as Exhibit B is hereby approved, with such changes, insertions and omissions as may be approved and/or authorized by the Commission.

SECTION 7. The Mayor or Mayor Pro-Tempore, and the Clerk of the City Commission or the Deputy Clerk of the City Commission or any other appropriate officers of the Borrower are hereby authorized and directed to execute and deliver a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") to be executed by the Borrower in substantially the form attached hereto as Exhibit C with such changes, insertions and omissions as may be approved by the Mayor or Mayor Pro-Tempore, and the Clerk of the City Commission or the Deputy Clerk of the City Commission, the

execution thereof being conclusive evidence of such approval, subject to the approval of the City Attorney as to form and legality.

SECTION 8. The Mayor or Mayor Pro-Tempore, and the Clerk of the City Commission or the Deputy Clerk of the City Commission or any other appropriate officers of the Borrower are hereby authorized and directed to execute and deliver an Escrow Deposit Agreement (the "Escrow Deposit Agreement") to be executed by the Borrower, the Commission and SunTrust Bank, as Escrow Holder, in substantially the form attached hereto as Exhibit D with such changes, insertions and omissions as may be approved by the Mayor or Mayor Pro-Tempore, and the Clerk of the City Commission or the Deputy Clerk of the City Commission, the execution thereof being conclusive evidence of such approval, subject to the approval of the City Attorney as to form and legality.

SECTION 9. The Mayor or Mayor Pro-Tempore, and the Clerk of the City Commission or the Deputy Clerk of the City Commission, or any other appropriate officers of the Borrower are hereby authorized and directed to execute any and all certifications or other instruments or documents required by this Resolution, the Loan Agreement, the Trust Indenture, the Escrow Deposit Agreement, the Continuing Disclosure Certificate or any other document required by the Commission as a prerequisite or precondition to making the Loan, subject to the approval of the City Attorney as to form and legality, and any such representation made therein shall be deemed to be made on behalf of the Borrower. All action taken to date by the officers of the Borrower in furtherance of the issuance of the Bonds and the making of the Loan is hereby approved, confirmed and ratified.

SECTION 10. The Representative or, in his or her absence, the First Alternate Representative (as such terms are defined in the Interlocal Agreement) of the Borrower to the Commission is hereby authorized to approve the final rates of interest on the Bonds, and the redemption provisions thereof, if any, on behalf of the Borrower.

SECTION 11. The Loan Agreement shall not be executed and delivered unless and until the Borrower has received all information required by Section 218.385, Florida Statutes.

SECTION 12. Pursuant to subsequent resolution, the Borrower may establish such additional terms as it may so determine to be in the best interests of the Borrower.

SECTION 13. This Resolution shall take effect immediately upon its adoption.

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This resolution shall take effect immediately upon its adoption.

PASSED AND ENACTED by the CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA this 9th day of April, 2001.

CITY OF GAINESVILLE, FLORIDA

(SEAL)

By: _____

Name: Paula M. DeLaney

Title: Mayor

ATTESTED BY:

By: _____

Name: Kurt Lannon

Title: Clerk of the City Commission

Approved as to form and legality:

By: _____

Name: Marion J. Radson

Title: City Attorney

EXHIBITS "A-D"

(Due to bulk and size, Exhibits "A-D" are available for inspection and review in the Office of the City Attorney.)