



Legislation Text

File #: 090985., Version: 0

T.E.F.R.A. Public Hearing and Resolution Relating to I.D.B. Bonds for Provident Group - UF Continuum Properties L.L.C.

A RESOLUTION EXPRESSING THE INTENT OF THE CITY OF GAINESVILLE, FLORIDA TO LOAN FUNDS FOR THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A GRADUATE STUDENT HOUSING FACILITY IN THE CITY OF GAINESVILLE, FLORIDA; PROVIDING FOR THE LENDING OF FUNDS FOR SUCH PURPOSE TO PROVIDENT GROUP - UF CONTINUUM PROPERTIES L.L.C., A FLORIDA LIMITED LIABILITY COMPANY, OR A RELATED ENTITY OR SUCCESSORS OR ASSIGNS; PROVIDING FOR THE ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS (THE CONTINUUM PROJECT) BY THE CITY IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$82,000,000 FOR THE PURPOSE OF MAKING SUCH LOAN OF FUNDS TO FINANCE ALL OR A PORTION OF THE COST OF SUCH PROJECT; AUTHORIZING THE EXECUTION OF A MEMORANDUM OF AGREEMENT PERTAINING TO THE ISSUANCE OF SUCH BONDS; AND PROVIDING CERTAIN OTHER DETAILS WITH RESPECT THERETO.

The City Commission adopt the proposed Resolution.

This Resolution provides preliminary approval of the issuance of Industrial Development Revenue Bonds (The Continuum Project) (the "2010 Bonds"), in one or more series in an aggregate principal amount not exceeding \$82,000,000, for the purpose of making a loan of funds to Provident Group - UF Continuum Properties L.L.C. (the "Borrower") in order to finance the acquisition and construction of graduate student housing facilities and related facilities on University Avenue in Gainesville. The 2010 Bonds shall not constitute a debt, liability of obligation of the City of Gainesville, Florida or the State of Florida or any political subdivision thereof, but shall be payable solely from the amounts paid by the Borrower to the City under the terms of a loan agreement between the City and the Borrower. This Resolution approves (i) the holding of a public hearing regarding the issuance of the bonds and the facilities being financed, and (ii) the form of a Memorandum of Agreement between the Borrower and the City and the execution and delivery thereof.

The Borrower is a wholly-owned entity of a Georgia corporation that is a not-for-profit corporation for federal income tax purposes. The Bonds will provide the Borrower with lower debt service than would otherwise be the case because the interest on the bonds received by the bondholders will not be subject to federal income tax so such bondholders will be willing to accept a reduced rate of interest.

This matter has been reviewed by the City Manager who also recommends the adoption of this Resolution and issuance of the 2010 Bonds.