



Legislation Text

File #: 170404., **Version:** 1

Bond Issuance for Financing Acquisition of the Gainesville Renewable Energy Center (Seris C) (B)

Upon the execution and delivery of an Asset Purchase Agreement with Gainesville Renewable Energy Center LLC, the City will have entered into an agreement to purchase the Gainesville Renewable Energy Center ("GREC"), including tangible and intangible assets thereof, at a purchase price of \$750,000,000, subject to certain conditions precedent set forth therein. In order to finance the acquisition of GREC the City must authorize Bonds pursuant to its Amended and Restated Utilities System Revenue Bond Resolution, secured by revenues of the City's Utility System. Certain underwriters and banks have agreed to purchase the Bonds in amount equal to the purchase price and costs of issuance of one or more series of such Bonds.

The Twenty-Ninth Supplemental Utilities System Revenue Bond Resolution authorizes the direct placement sale of the 2017 Series C Bonds to Bank of America, N.A. ("Bank of America") in a principal amount of up to \$115 million and when combined with the 2017 Series A Bonds and 2017 Series B Bonds shall not exceed (\$757,500,000). The 2017 Series C Bonds will be sold to Bank of America as a private placement pursuant to a Purchase Contract between the City and Bank of America and will bear interest at variable rate subject to adjustment as provided in such resolution. Bank of America as a condition to its purchase of the 2017 Series C Bonds has required that the City enter into a Continuing Covenant Agreement with additional representations, warranties and covenants of the City.

None.

The City Commission approve the Twenty-Ninth Supplemental Utilities System Revenue Bond Resolution and thereby approve the issuance and sale of the 2017 Series C Bonds to Bank of America and approve the forms of the Purchase Contract and Continuing Covenant Agreement with Bank of America, and authorize the execution and delivery thereof, subject to approval of the City Attorney as to form and legality.

This was presented to the UAB on 9/14/17 and they voted 4-1 (member Alford in dissent, members Denslow and Orlando absent) to recommend that the Commission approve.