

LAKE COUNTY, FLORIDA - REQUEST FOR PROPOSALS
INFRASTRUCTURE SALES SURTAX REVENUE NOTE, SERIES 2019
(Not to Exceed \$10,000,000)
RFP DATED: August 21, 2019

Lake County, Florida (“County”) is seeking proposals to provide a fixed rate, non-bank qualified term loan at the lowest overall borrowing cost, pursuant to certain conditions as determined by the County. The County’s Infrastructure Sales Surtax Revenue Note, Series 2019 (the “2019 Note”) will be a direct loan and the County is not preparing any disclosure documents. The Lender will be selected based on overall borrowing cost and terms most favorable to the County, based on the County’s sole discretion.

A tentative calendar for the review of responses is as follows:

August 21, 2019	RFP circulated
September 13, 2019	Responses due by 1 p.m.
Week of Sept 16, 2019	County staff reviews responses and selects Lender for approval
October 8, 2019	Commission Meeting – Approval of Lender
October 22, 2019	Commission Meeting – Public Hearing / Approval of 2019 Note
Week of Oct 28, 2019	Tentative Closing Date (subject to change)

SUBMISSION REQUIREMENTS:

Each proposal shall include the interest rate, prepayment provisions, fees, financial reporting requirements, default rate, and other terms/conditions. **No later than 1:00 p.m. eastern time on September 13, 2019**, an electronic copy of each proposal must be emailed to **Bill Ponko** (bponko@lakecountyfl.gov) at the County with a copy to **Jay Glover** (gloverj@pfm.com) at PFM Financial Advisors LLC (PFM).

Any inquiries or requests for clarification or additional information shall be emailed to the County’s Financial Advisor: **Jay Glover** (gloverj@pfm.com).

1. **Term:** The 2019 Note shall have a stated maturity of approximately 13 years, final principal payment to be due on December 1, 2032.
2. **Purpose:** The 2019 Note proceeds will be used to finance the cost of road resurfacing projects throughout the County.
3. **Principal Payments:** The principal related to the 2019 Note shall be fully amortized over the term of the loan as set forth in **Exhibit A**, attached hereto and incorporated herein by reference.
4. **Interest Rate:** Interest on the 2019 Note shall be calculated on the basis of a 360-day year comprised of twelve 30-day months, payable semiannually on June 1 and December 1, commencing on June 1, 2020.
5. **Prepayment Options:** Describe any prepayment options available to the County. If a prepayment penalty is required, state the terms of the penalty.

6. Security: The payment of the principal of and interest on the 2019 Note shall be secured by Pledged Funds, which shall mean the Infrastructure Sales Surtax Revenues. Infrastructure Sales Surtax Revenues shall mean the proceeds received by the Issuer from the levy of the one cent local government infrastructure sales surtax pursuant to Section 212.055(2), Florida Statutes, and other applicable provisions of law. Historical collection of Infrastructure Sales Surtax Revenues is included as **Exhibit B**, attached hereto and incorporated herein by reference. The 2019 Note will be issued on parity with the County's Infrastructure Sales Surtax Revenue Bond, Series 2018. Provided in **Exhibit C**, attached hereto and incorporated herein by reference, is an aggregate debt service table including the 2019 Note. The County will certify compliance with the 1.35 times additional bonds test as part of the closing.

7. Interest To Be Tax-Exempt: The County will enter into such covenants as necessary in the opinion of Note Counsel to ensure compliance by the County with the Internal Revenue Code of 1986, as amended ("Code"), and to qualify interest on the 2019 Note for exclusion from gross income for federal income tax purposes as set forth in the opinion of Note Counsel. The County will not accept any offer with capital adequacy or other interest rate adjustment language with respect to changes to tax law. The only interest rate adjustment provision the County will consider is one imposed by final judgment of the IRS and due from the holder which results solely from the County's actions or inactions.

9. Loan Documents: All loan documents shall be prepared by Nabors Giblin & Nickerson, Note Counsel for the County, who shall provide the Lender and its Counsel with drafts thereof for review and comment at least one week prior to loan closing. The County will not accept any proposals that require acceleration for any events of default other than payment defaults. PFM will serve in the sole capacity as financial advisor to the County and not as a placement agent for the 2019 Note.

10. Closing: It is anticipated that closing for the 2019 Note shall occur on or around the week of October 28, 2019. Closing shall occur at a time and place mutually acceptable to the County and the Lender.

11. Costs and Fees: The County shall pay all costs relating to financing, preparing and printing the loan documents, and filing all required financing statements. The County shall also pay the Lender's Bank Counsel Fees.

12. Rejection of Proposals/Negotiations: THE COUNTY EXPRESSLY RESERVES THE RIGHT TO REJECT ANY AND ALL PROPOSALS RECEIVED IN CONNECTION WITH THIS REQUEST FOR PROPOSALS AND THEREAFTER TO NEGOTIATE WITH ANY PROPOSER. AS PERMITTED BY LAW, THE COUNTY RESERVES THE RIGHT TO WAIVE ANY IRREGULARITY OR INFORMALITY IN ANY PROPOSAL. THE BASIS FOR ACCEPTANCE OF ANY PROPOSAL SHALL BE THAT WHICH IS IN THE BEST INTEREST OF THE COUNTY AS DETERMINED SOLELY BY THE COUNTY. THE COUNTY ALSO RESERVES THE RIGHT TO NEGOTIATE TERMS AND CONDITIONS WITH ANY PROPOSERS.

13. Instructions to Proposers:

- A. Proposers shall thoroughly examine and be familiar with the proposal specifications. Failure of any proposer to receive or examine this document shall in no way relieve any proposer of obligations pertaining to this RFP or the subsequent contract.
- B. Any changes or modifications to the proposal specifications can result in the rejection of the proposal as not being responsive to this RFP.
- C. The responsibility for delivering the proposal on or before the specified date and time will be solely and strictly the responsibility of the proposer. The County will in no way be responsible for delays.
- D. The response deadline shall be strictly observed. Under no circumstances will a proposal delivered after the time specified be considered.
- E. Proposers will not be allowed to withdraw or modify their proposals without approval by the County for a period of sixty (60) days after the opening time and date.
- F. The County reserves the right to reject the proposal of any proposer who has previously failed in the proper performance of a contract or to deliver on time other contracts similar in nature, or who is not in a position to perform properly under this contract.
- G. Federal, state, county, and local laws, ordinances, rules and regulations that in any manner affect the items covered herein apply. Lack of knowledge by the Proposer will in no way be a cause for relief from responsibility.
- H. No successful Proposer may assign any portion of the contractual agreement between the parties without prior written authorization by the County.
- I. Changes to the RFP may be made by and at the sole discretion of the County.
- J. Warranties - The proposer, in submission of its proposal, warrants to the County that it will comply with all applicable federal, state and local laws, regulations and orders in providing the services under the proposed documents.
- K. Collusion - The Proposer, by affixing its signature to this proposal, certifies that its proposal is made without previous understanding, agreement, or connection either with any previous firms or corporations offering a Proposal for the same items, or with the County. The Proposer also certifies that its proposal is in all respects fair, without outside control, collusion, fraud or otherwise illegal action.
- L. Discrimination – Pursuant to Section 287.134(2)(a), Florida Statutes, an entity or affiliate who has been placed on the discriminatory vendor list may not submit a bid or proposal on a contract to provide any goods or services to a public entity, may not submit a bid or proposal on a contract with a public entity for the construction or repair of a public building or public work, may not submit bid or proposal on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity.

M. By submitting a proposal in response to this RFP, the Proposer/Purchaser acknowledges the following statement: Purchaser has a present intent to hold the 2019 Note subject to this transaction to maturity, earlier redemption, or mandatory tender for its loan portfolio, and has no present intention of reselling or otherwise disposing of all or a part of such the 2019 Note. Purchaser acknowledges that PFM is relying on the foregoing representation and based on this representation this transaction meets the requirements for being a qualifying exception for purposes of MSRB Rule G-34, and PFM is released from the requirement to request a CUSIP assignment on behalf of the County pursuant to MSRB Rule G-34 for the 2019 Note.

14. Amendment: The County reserves the right to amend or modify this Request for Proposals via email.

Exhibit A
Preliminary Loan Amortization Schedule*

12/1/2020	660,000
12/1/2021	675,000
12/1/2022	695,000
12/1/2023	710,000
12/1/2024	730,000
12/1/2025	745,000
12/1/2026	765,000
12/1/2027	785,000
12/1/2028	805,000
12/1/2029	825,000
12/1/2030	845,000
12/1/2031	870,000
12/1/2032	890,000

*Final amortization shall be set when the actual interest rate has been determined. The County reserves the right to amend the amortization schedule and size of the 2019 Note (within the not to exceed amounts). Final maturity of the 2019 Note shall not be later than 12/01/2032.

Exhibit B
Infrastructure Sales Surtax Revenues

FY	Actuals
2007	\$ 11,179,328
2008	\$ 10,761,178
2009	\$ 10,011,497
2010	\$ 9,973,395
2011	\$ 10,478,820
2012	\$ 10,832,882
2013	\$ 11,585,339
2014	\$ 12,443,490
2015	\$ 13,599,683
2016	\$ 14,233,978
2017	\$ 15,052,946
2018	\$ 16,165,171

Exhibit C
Aggregate Parity Debt Service

<u>Period</u> <u>Ending</u>	<u>Proposed 2019</u> <u>Note Debt</u> <u>Service</u>	<u>2018 Note</u> <u>Debt Service</u>	<u>Aggregate</u>
9/30/2020	145,833	2,038,248	2,184,081
9/30/2021	901,750	2,034,464	2,936,214
9/30/2022	900,063	2,039,380	2,939,443
9/30/2023	902,938	2,032,996	2,935,933
9/30/2024	900,375	2,030,383	2,930,758
9/30/2025	902,375	2,036,325	2,938,700
9/30/2026	898,938	2,035,750	2,934,688
9/30/2027	900,063	2,028,803	2,928,865
9/30/2028	900,688	2,030,410	2,931,097
9/30/2029	900,813	2,035,355	2,936,168
9/30/2030	900,438	663,725	1,564,162
9/30/2031	899,563	661,168	1,560,730
9/30/2032	903,125	663,105	1,566,230
9/30/2033	901,125	664,465	1,565,590
	11,858,083	22,994,576	34,852,660

Note: Debt service on the 2019 Note is preliminary and subject to change.