

Riviera Beach Community Redevelopment Agency

REQUEST FOR BANK LOAN PROPOSALS:

IN AN AMOUNT UP TO \$30,000,000

TAX-EXEMPT, NON-BANK QUALIFIED BANK LOAN &

TAXABLE BANK LOAN

RFP Issue Date: June 11, 2020

Proposal Due Date: June 30, 2020 @ 12:00 pm Eastern

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LINKS

Historical financial statements and budgets for the CRA can be found at the following link:
<http://www.rbcra.com/about-the-cra/budget/>

A. REQUEST FOR LOAN

The Riviera Beach Community Redevelopment Agency (the "CRA") is seeking proposals from qualified financial institutions to provide tax-exempt, non-bank qualified and taxable fixed rate bank loans (the "Loans" or the "Notes"), at the lowest overall borrowing cost, pursuant to certain conditions. Loan proceeds will be used to fund approximately \$7.5 million in CRA projects, to refund the CRA's outstanding senior lien debt, and to fund the cost of issuance for the Loans. The CRA projects to be funded from the Loan consist primarily of the acquisition of certain property within the CRA area.

The CRA shall accept and review proposals from qualified banking institutions. Proposals for tax-exempt and taxable fixed rate Loans should be submitted based upon the proposed financing structure below. The CRA will select the bank financing that provides the lowest overall borrowing cost to the CRA and meets the financing requirements of the CRA. While the CRA anticipates utilizing the same lender for both the tax-exempt and taxable Notes, the CRA reserves the right to utilize different lenders for each Note. Hilltop Securities Inc. ("HilltopSecurities"), Orlando, Florida, as the CRA's Financial Advisor, will be assisting the CRA with respect to the Loans.

B. STRUCTURE OF FINANCING

Amount: **Tax-Exempt:** Up to \$13,500,000
Taxable: Up to \$16,500,000

Closing Date: Expected August 3, 2020

Rate: **Tax-Exempt:** Non-Bank Qualified, Tax-Exempt Fixed Rate
for term of loan
Taxable: Taxable Fixed Rate for term of loan

Prepayment: The CRA requests the ability to prepay the Loan without
penalty. Other prepayment provisions may be considered.

Final Maturity:..... **Tax-Exempt:** August 1, 2033
Taxable: August 1, 2033 (Option A)
August 1, 2035 (Option B)

Interest Payments Dates: Semiannually on February 1st and August 1st, commencing
February 1st, 2021.

Interest Compounding: None

Interest Day Count Method: Please specify in proposal

Principal Payment Dates: Annually, beginning August 1, 2021.

Debt Service Structure:..... See Appendix A for the preliminary principal amortization
schedules.

C. SECURITY FOR THE LOAN

The Loan will be secured equally and ratably by an irrevocable lien on the Pledged Revenues and the Issuer will pledge such Pledged Revenues to the payment of the principal and interest on the Loan.

“Pledged Revenues” means the revenues generated from the tax increment as described in section 163.387, Florida Statutes, received annually by the Issuer and deposited into the Trust Fund, and until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in the funds and accounts established hereunder. “Trust Fund” means the redevelopment trust fund established by City Ordinance No. 2241.

The Loans will not be secured by a debt service reserve fund. The CRA has senior lien debt currently outstanding in the amount of \$23,817,000 with a final maturity through August 1, 2033. It is anticipated that upon issuance of the Loans, and refunding of the outstanding senior lien debt, that the Loans will be the only outstanding senior lien debt at the time of issuance.

D. ADDITIONAL PARITY DEBT

The CRA will not accept proposals that require the Bank’s approval directly or indirectly before additional debt may be issued secured by or payable from the Pledged Funds. Additional parity debt may be issued if the amount of Pledged Revenues received by the CRA in the Trust Fund during the twelve (12) consecutive months immediately preceding the date of sale of the additional parity debt equals at least 1.5x coverage on maximum annual debt service of the outstanding and proposed parity debt.

E. CAPITAL ADEQUACY / YIELD MAINTENANCE COVENANTS / ACCELERATION

The CRA’s preference is not to include these provisions within the Loan. Should the Bank require any provisions whatsoever that would create the ability for the Bank to increase the rate on the Loan to the CRA, please provide the required provisions. The CRA will not accept proposals that provide for acceleration of principal repayment on the Loan.

F. TAX-EXEMPT OBLIGATION

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

G. DOCUMENTATION

Bryant Miller Olive, P.A. (“Bond Counsel”) shall prepare the Note and other documents to close the Loan. The selected bank will be furnished, without charge to the bank, the opinion of the CRA’s Bond Counsel, approving the legality of the Loan together with the closing certificates and documents related to the transaction. HilltopSecurities will also assist the CRA in meeting its financing objectives.

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. 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;
- b. 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,
- c. the Loan will not be used in the future on a securitized transaction and is not a municipal security;
- d. 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 a denomination less than \$100,000 even in whole;
- e. the Loan will only be transferred to a Permitted Lender in whole, in a denomination of not less than \$100,000, with the CRA's consent. A "Permitted Lender" means any bank, trust company, savings institution or insurance company that is engaged as a regular part of its business in making loans and is 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 has in its possession or has had access to all material information concerning the security and sources of payment of the Note, and, as a result thereof, is thoroughly familiar with the nature and risks of making the Loan and purchasing the Note. It has been afforded access to all material information and has had sufficient opportunity to discuss the business of the CRA and the projects financed with the proceeds of the Note, with its officers, employees and others, and has been permitted to make an investigation of the CRA and its operations. It does not require any further information or data concerning the CRA. In making the Loan and purchasing the Note, it has relied solely upon its own investigation, examination, and evaluation of the CRA and other relevant matters, and has not relied upon any statement or materials which have not been supported by its own investigation and examination. It has knowledge and experience in financial and business matters, particularly in tax-exempt obligations, and is capable of evaluating the merits and risks of making the Loan and purchasing the Note and has determined that it can bear the economic risk of making the Loan and purchasing the Note.
- h. 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;
- i. understands that the Loan is not a municipal security and that, unless otherwise required, no filing may be made with respect to the Loan with EMMA, the Municipal Securities Rulemaking Board continuing disclosure site;
- j. there will be no CUSIPs obtained on the Loan; and
- k. there will be no credit rating obtained on the Loan.

H. PROPOSAL FORMAT – SELECTION CRITERIA

Proposals will be evaluated on the basis of cost and the structure that best meets the financing requirements of the CRA. Further, the CRA will accept proposals that provide for the ability to prepay the Loans in whole or in part at any time without penalty; prepayment penalties may be considered.

In order to assist the CRA and HilltopSecurities 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) A) a tax-exempt, non-bank qualified fixed interest rate for the full term of the Tax-Exempt Loan and B) a taxable fixed interest rate for the full term of the Taxable Loan. The proposal shall give a stated time in which the proposed rates will be held as well as the index in which the rates shall be calculated should the stated time elapse. The proposal should acknowledge the preliminary Loan amortization schedules provided in Appendix A, and acknowledge there may be adjustments to the preliminary amortization schedule in order to achieve the desired debt service structure based upon the final interest rate and Loan size.
- (3) Describe in detail all fees and expenses which the CRA will be responsible to pay to the Bank including its legal counsel. The CRA has retained the law firm of Bryant Miller Olive, P.A. to prepare the Loan documents. The amounts stated in the proposal shall represent the maximum amounts payable to the Bank by the CRA. All fees and expenses, with the exception of those of Bond Counsel and HilltopSecurities, 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 CRA.
- (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 Loan. Certain covenant requirements, including but not limited to cross-default with other CRA debt, or those that create notice defaults not subject to a cure period, may be deemed non-responsive to this request.

I. MISCELLANEOUS

- (1) The CRA 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 Loan.
- (2) The CRA reserves the right, in its sole discretion, to accept or reject any and all proposals, to waive any irregularities or informalities in any proposal or in the proposal process, and to accept or reject any items or combination of items. If the CRA determines to move forward with the Loan, the award will be to the financial institution whose proposal best complies with the requirements set forth in this RFP and whose proposal, in the opinion of the CRA 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 CRA.
- (4) The CRA will not be liable for any expenses incurred in connection with the preparation of a response to this RFP.
- (5) All requests for clarification or additional information should be directed to:

Mr. Scott Evans, Interim Executive Director, Riviera Beach CRA
(561) 844-3408 | sevans@rbcr.com

-AND-

Mr. Joel Tindal, Director, Hilltop Securities Inc.
(407) 426-9611 | joel.tindal@hilltopsecurities.com

- (6) Federal, State, 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 proposer may assign any portion of the contractual agreement between the parties without prior written authorization by the CRA.
- (8) Warranties – The proposer, in submission of its proposal, warrants to the CRA that it will comply with all applicable federal, state and local laws, regulations and orders in providing the services under the proposed documents.
- (9) Public Entity Crime; Florida Statutes, 287.133(2)(a): A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or replies 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 in excess of the threshold amount provided in s. 287.017 for CATEGORY TWO for a period of 36 months following the date of being placed on the convicted vendor list.

J. TENTATIVE SCHEDULE*

June 11, 2020	Issue Bank Loan Request for Proposals (RFP)
June 30, 2020	Bank Proposals Due Prior to 12:00 P.M.
July 22, 2020	Governing Body Meeting - Approval of Loan
August 3, 2020	Closing of the Loan

*Preliminary/subject to change.

K. RFP INSTRUCTIONS

All proposals must be submitted via e-mail (in PDF or Word format) directly the CRA with a copy to HilltopSecurities at the e-mail addresses below for receipt no later than 12:00 PM Eastern Time on June 30, 2020:

Riviera Beach Community Redevelopment Agency

Mr. Scott Evans, Interim Executive Director at: sevans@rbkra.com

with a copy to:

HilltopSecurities

Mr. Joel Tindal, Director at: joel.tindal@hilltopsecurities.com

APPENDIX A

Preliminary Loan Principal Amortizations

Non-BQ Tax-Exempt Loan*		Taxable Loan*		
Payment Date	Principal	Payment Date	Option A Principal	Option B Principal
8/1/2021	1,376,000	8/1/2021	735,000	735,000
8/1/2022	1,422,000	8/1/2022	746,000	746,000
8/1/2023	1,952,000	8/1/2023	938,000	938,000
8/1/2024	2,009,000	8/1/2024	967,000	967,000
8/1/2025	2,070,000	8/1/2025	989,000	989,000
8/1/2026	508,000	8/1/2026	1,338,000	926,000
8/1/2027	521,000	8/1/2027	1,382,000	956,000
8/1/2028	536,000	8/1/2028	1,425,000	986,000
8/1/2029	550,000	8/1/2029	1,471,000	1,017,000
8/1/2030	564,000	8/1/2030	1,518,000	1,051,000
8/1/2031	579,000	8/1/2031	1,567,000	1,084,000
8/1/2032	594,000	8/1/2032	1,618,000	1,119,000
8/1/2033	611,000	8/1/2033	1,668,000	1,154,000
8/1/2034		8/1/2034		1,818,000
8/1/2035		8/1/2035		1,876,000
Total	13,292,000	Total	16,362,000	16,362,000

*Preliminary and subject to change.

Outstanding Parity Debt Service*

Fiscal Year End (9/30)	Existing Senior Lien Debt Service				Aggregate Principal	Aggregate Interest	Aggregate Debt Svc
	Series 2011 Debt Svc	Series 2013A Debt Svc	Series 2013B Debt Svc	Series 2018 Debt Svc			
2020	1,323,540	360,919	898,650	332,024	1,945,000	970,133	2,915,133
2021	1,320,250	362,040	893,275	332,024	2,020,000	887,588	2,907,588
2022	1,320,184	372,859	881,775	332,024	2,105,000	801,842	2,906,842
2023	1,743,120	443,077	1,049,375	332,024	2,855,000	712,595	3,567,595
2024	1,745,188	445,886	1,047,975	332,024	2,980,000	591,073	3,571,073
2025	1,744,148	453,244	1,039,775	332,024	3,105,000	464,191	3,569,191
2026				1,296,024	964,000	332,024	1,296,024
2027				1,295,681	1,000,000	295,681	1,295,681
2028				1,295,981	1,038,000	257,981	1,295,981
2029				1,295,849	1,077,000	218,849	1,295,849
2030				1,295,246	1,117,000	178,246	1,295,246
2031				1,295,135	1,159,000	136,135	1,295,135
2032				1,295,440	1,203,000	92,440	1,295,440
2033				1,296,087	1,249,000	47,087	1,296,087
Total	9,196,430	2,438,024	5,810,825	12,357,586	23,817,000	5,985,865	29,802,865

*It is anticipated that proceeds of the Loans will be used to refund the parity debt that is outstanding at the time of closing of the Loans. The existing senior lien debt service payments are scheduled on February 1st and August 1st of each fiscal year.

APPENDIX B

Historical Tax Increment Revenues⁽¹⁾

Fiscal Year	Tax Increment Revenue
2011	\$5,113,203
2012	5,110,866
2013	5,438,501
2014	5,992,858
2015	6,445,947
2016	7,117,647
2017	7,706,541
2018	8,456,849
2019 ⁽²⁾	8,534,136
2020 ⁽²⁾	8,727,676

(1) Source: Riviera Beach CRA

(2) Budgeted.

Historical Net Tax Increment Value⁽¹⁾

Fiscal Year	Taxable Value	TIF Base Value	Net Tax Increment Value
2011	\$524,390,358	\$132,767,499	\$391,622,859
2012	526,870,544	132,767,499	394,103,045
2013	521,681,072	132,767,499	388,913,573
2014	591,873,989	132,767,499	459,106,490
2015	628,270,892	132,767,499	495,503,393
2016	699,330,308	132,767,499	566,562,809
2017	746,596,794	132,767,499	613,829,295
2018	806,061,279	132,767,499	673,293,780
2019 ⁽²⁾	811,597,789	132,767,499	678,830,290
2020 ⁽²⁾	827,050,256	132,767,499	694,282,757

(1) Source: Riviera Beach CRA

(2) Budgeted.