



City of Coral Gables
CITY COMMISSION MEETING
February 19, 2013

ITEM TITLE:

A Resolution of the City of Coral Gables, Florida authorizing the negotiation of two loans in the aggregate principal amount not to exceed \$22,000,000 from the Sunshine State Governmental Financing Commission; to refinance certain outstanding obligations; approving the execution and delivery of two loan agreements; providing certain other matters in connection with the making of such loans.

DEPARTMENT HEAD RECOMMENDATION:

Approval.

BRIEF HISTORY:

In January of 2004 the City entered into a loan agreement with the Sunshine State Governmental Financing Commission ("SSGFC"), which was funded from the proceeds of the SSGFC's Tax-Exempt Revenue Bonds, Series 2004A and Taxable Revenue Bonds, Series 2004B. The proceeds of the loan were used to fund various capital projects within the City related to a parking garage, information technology equipment, museum facility/public works building, and golf course improvements. The Loan has interest rates ranging from 3.375%-5.880% and final maturities of October 1, 2028.

Due to favorable market conditions, the City has the opportunity to refund the existing loans for significant debt service savings. In order to take advantage of this opportunity, Public Financial Management ("PFM"), in its capacity as the financial advisor to the SSGFC, is working with the City in refunding the loans. A Request for Proposals was sent out and several responses were received. If the proposals for Pinnacle Public Finance, Inc. and TD Bank, N.A. are accepted, it would result in the City achieving approximately \$2.6 million of gross debt service savings, which represents \$2.19 million of net present value savings or 13.4% of the refunded par amount with respect to the tax-exempt portion and approximately \$729,000 of gross debt service savings, which represents \$570,000 of net present value savings or 13.7% of the refunded par amount with respect to the taxable portion. This equates to approximately \$160,000 and \$46,000, respectively, annually through 2028. PFM is of the professional opinion that the recommended banks' proposed interest and terms for refunding these loans are competitively priced and are consistent with current market conditions. PFM recommends the City move forward with the refunding transaction at this time.

On December 10, 2012, the Sunshine State Governmental Financing Commission approved a Resolution authorizing the City to move forward with the issuance of not exceeding aggregate principal amount of \$30,000,000 of revenue bonds to undertake the above described refunding. Pending approval by the City Commission, the loan would be scheduled to close on or about February 28, 2013.

APPROVED BY:

Department Director	City Attorney	City Manager

ATTACHMENT(S):

- 1. Resolution
- 2. Draft Loan Agreements