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December 1, 2014

Memorandum

To: Diana Gomez, Finance Director
From: Jay Glover, Public Financial Management
Re: Sunshine State Governmental Financing Commission – City of Coral Gables Loan

As financial advisor to the Sunshine State Governmental Financing Commission (the “Commission”), Public Financial Management (PFM) distributed a request for proposals on behalf of the Commission to provide the Commission with a fixed rate loan (the “Loan”) in an amount not to exceed \$6,500,000. The Loan will be issued to enable the Commission to make a loan to the City of Coral Gables, Florida (the “City”) to fund a new 800 MHz radio system. The Loan will be awarded based on overall borrowing cost and terms most favorable to the Commission and the City, based on the Commission and City’s sole discretion.

The Commission received five (5) proposals by the required submittal deadline of 1:00 PM on Wednesday, November 19, 2014. The proposals were received from Capital One, Pinnacle Public Finance, Raymond James Capital Funding, SunTrust Equipment Finance & Leasing and US Bancorp. PFM has reviewed each proposal to verify that they meet the requirements as set forth in the RFP as well as to provide a recommendation as to the proposal that provides the lowest overall borrowing cost to the City at the most favorable terms. Based on this review, PFM has determined that all of the proposals meet the requirements as set forth in the RFP. In order to make a recommendation, PFM reviewed the interest rate, structure and conditions that were outlined in each proposal with City Staff, Commission Staff and Bond Counsel.

The proposal submitted by US Bancorp provides the lowest fixed rate option of 2.503%, which will be held until December 31, 2014. In addition, US Bancorp provides the City with the flexibility to optionally prepay the Loan on any payment date at 103% of the par amount. The next most favorable rate was provided by Raymond James Capital Funding at 2.59% (make whole call provision) or 2.69% with ability to prepay on or after April 1, 2021 at par.

Based on the above information, we are recommending that the City approve the Loan with the Commission and US Bancorp. We look forward to discussing this recommendation in detail and addressing any questions you have at the meeting on December 16. For a summary of the terms and conditions of each proposal please refer to Appendix A.

If you have any questions please feel free to contact me at 407-406-5760 or gloverj@pfm.com.

City of Coral Gables, FL
SSGFC -- Revenue Note, Series 2015B
Bank Loan Summary

		Capital One	Pinnacle Public Finance	Raymond James	SunTrust Equipment Finance & Leasing	US Bancorp
Proposal Requirements						
Contact Information		Jacqueline Bretz Assistant Vice President Tel: (866) 617-2337 jaci.bretz@capitalone.com	Blair Swain Vice President, Direct Markets 8377 E Hartford Drive, Suite 115 Scottsdale, Arizona 85255 Tel: (480) 419-3634 bswain@ppf-inc.com	Cord D. King Tax-Exempt Lending Manager 710 Carillon Parkway St. Petersburg, FL 33716 Tel: 727-567-2055 cord.king@raymondjames.com	Lawanna Hasper Vice President Tel: (443) 413-0338 lawanna.hasper@suntrust.com	Denise Beauchamp Vice President Tel: (904) 284-3250 denise.beauchamp@usbank.com
	Final Maturity	4/1/2030	4/1/2030	4/1/2030	4/1/2025 (shorter than requested)	4/1/2030
	Tax Exempt Fixed Interest Rate	Fixed: 3.39%	Fixed: 2.92%	Option A: 2.59% Option B: 2.65% Option C: 2.69%	Fixed: 3.25%	Fixed: 2.503%
	Calculation	N/A	N/A	N/A	N/A	N/A
	Rate Locked to Closing, or Date to be set	Rate held until December 19, 2014	Rate valid for 45 days	Rate held until December 19, 2014	Not indicated	Rate held until December 31, 2014
	Prepayment Penalty	Non Callable Years 1-10 and callable at par thereafter	Callable in whole at par plus accrued interest beginning 4/1/2020	Option A: Make Whole Call Option B: callable at par on or after 4/1/2025 Option C: callable at par on or after 4/1/2021	Prepayable in whole on any payment date after 4/1/2019	Prepayable on any payment date at 103% of par
	Legal/Other Fees	None Indicated	\$5,000	\$6,500 legal and 0.20% of loan amount commitment fee	\$6,500	None
Other Conditions			(i) Gross Up Provision if becomes taxable (4.49%) (ii) Default Rate: 5% (6% if taxable) (iii) Right to assign, transfer, or convey loan	(i) Gross Up Provision if becomes taxable (4.20%) (ii) Default Rate: greater of (a) Prime + 3%, (b) Federal Funds Rate + 5% or (c) 7%.	(i) Gross Up Provision if becomes taxable (6.10%) (ii) Corporate Tax Rate Change Language (iii) Indicate a default rate but don't say what it is	(i) Funds will be deposited into a no fee US Bank escrow account at closing (ii) Standard US Bank provisions related to events of default and remedies.