

LAKE COUNTY, FLORIDA



REQUEST FOR PROPOSALS

BANK TERM LOAN

Capital Improvement Revenue Bond, Series 2025

(NOT TO EXCEED AMOUNT OF \$22,075,000)

Due Date: December 3, 2024

Due Time: 1:00 P.M. EST

**REQUEST FOR PROPOSALS
BANK TERM LOAN
LAKE COUNTY, FLORIDA
CAPITAL IMPROVEMENT REVENUE BOND, SERIES 2025**

I. INTRODUCTION

A. Objectives

Lake County, Florida (the “County”) is seeking offers from institutions that can provide the County with a fixed rate, term loan at the lowest overall borrowing cost, pursuant to certain conditions as determined by the County. The County’s Capital Improvement Revenue Bond, Series 2025 (the “2025 Bond”) will be issued to finance the design and construction of a 50,000 square foot facility for the Lake County Supervisor of Elections. The proposed facility would be tilt-wall construction with two connected buildings. The first building will be a single-story 20,000 square foot warehouse, and the second building will be a two-story 30,000 square foot administration building. The 2025 Bond will be a direct loan and the County is not preparing any disclosure documents to facilitate a public offering.

B. Instructions for Submitting Offers

1. Electronic Offers

Proposals should be submitted **on or before 1:00 P.M. ET, December 3, 2024** to the attention of:

Jennifer Barker, County Manager
Lake County, FL
jennifer.barker@lakecountyfl.gov

Jay Glover, *Managing Director*
PFM Financial Advisors LLC
gloverj@pfm.com

Omar Charbanou, *Analyst*
PFM Financial Advisors LLC
charbanouo@pfm.com

THE COUNTY RESERVES THE RIGHT TO REJECT ANY AND ALL OFFERS, TO WAIVE ANY INFORMALITIES OR IRREGULARITIES IN ANY OFFERS RECEIVED, OR TAKE ANY OTHER SUCH ACTIONS THAT MAY BE DEEMED TO BE IN THE BEST INTEREST OF THE COUNTY.

2. Offers

Each proposal should address all pertinent areas and be specific. Any conditions that differ from those outlined in this request for proposals should be clearly stated. The

failure to disclose substantive terms, conditions and covenants may be considered cause for the respondent's offer to be rejected by the County at any time.

3. Questions, Additional Information

The Respondent shall examine all documents associated with this request for proposals and shall judge all matters relating to the adequacy of such documents. Any inquiries, suggestions or requests concerning clarification or for additional information shall be submitted in writing to the County's Financial Advisor, PFM Financial Advisors LLC, gloverj@pfm.com. The County shall not be responsible for oral interpretations given by any employee or its representative.

Contact with Lake County personnel or consultants other than the County's Financial Advisor regarding this Request for Proposals may be grounds for elimination from the selection process.

4. Tentative Schedule

The County will attempt to adhere to the following schedule:

November 4	Request for Proposals Issued
December 3	E-mailed proposals due no later than 1:00 P.M. EDST
December 5	Lender Selected
January 7	Board of Commissioners Approval
January 10	Anticipated Closing Date (contingent on land sale closing)

The County reserves the right to alter these tentative dates, if necessary or desirable.

C. Security for the 2025 Bond

The 2025 Bond is payable solely from and secured solely by a covenant to budget and appropriate all legally available non ad valorem revenues subject to the typical caveats given no voter referendum. The County plans to use the Anti-Dilution Test included as Exhibit A to this RFP.

D. Structure of the Financing

The following describes the County's requirements in establishing the 2025 Bond:

1. Amount: Not to exceed \$22,075,000.
2. Interest Rate/Tax Status: Fixed, tax-exempt rate on a non-bank qualified basis.
3. Repayment Provisions: Interest payments on the outstanding principal balance of the 2025 Bond will be calculated on a 30/360-day basis and will be paid semiannually on June 1 and December 1, of each year, beginning June 1, 2025. The principal amount of the 2025 Bond will be payable on June 1 as estimated and shown below. The County is interested in receiving proposals based on a 15-year and/or 20-year repayment term.

Amortization Schedule		
Period Ending	15 years	20 years
6/1/2026	1,102,000	730,000
6/1/2027	1,147,000	760,000
6/1/2028	1,192,000	792,000
6/1/2029	1,240,000	825,000
6/1/2030	1,290,000	859,000
6/1/2031	1,341,000	894,000
6/1/2032	1,395,000	932,000
6/1/2033	1,451,000	970,000
6/1/2034	1,509,000	1,010,000
6/1/2035	1,569,000	1,052,000
6/1/2036	1,632,000	1,096,000
6/1/2037	1,697,000	1,142,000
6/1/2038	1,765,000	1,189,000
6/1/2039	1,836,000	1,238,000
6/1/2040	1,909,000	1,290,000
6/1/2041	-	1,343,000
6/1/2042	-	1,399,000
6/1/2043	-	1,457,000
6/1/2044	-	1,517,000
6/1/2045	-	1,580,000
Total	22,075,000	22,075,000

4. Prepayment Options: The County has a preference for prepayment flexibility. Each proposal should indicate whether the 2025 Bond can be pre-paid prior to maturity and if so, the associated terms for prepayment.
5. The County will not be funding a debt service reserve fund with respect to the 2025 Bond.

E. Lender Certifications

At the time of the closing date for the 2025 Bond, the offeror will be required to make certain certifications, including but not limited to certifications to the effect that it:

- (a) has a present intent to hold the 2025 Bond subject to this transaction to maturity, earlier redemption, mandatory tender, or for its loan portfolio, and has no present intention of reselling or otherwise disposing of all or a part of such 2025 Bond. Acknowledges that PFM Financial Advisors LLC (“Municipal Advisor”) 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 Municipal Advisor is excepted and released from the requirement to

request a CUSIP assignment on behalf of the County pursuant to MSRB Rule G-34 for the 2025 Bond.

- (b) understands that the 2025 Bond may not be transferred in a denomination less than \$100,000 under any circumstances and its right to transfer the 2025 Bond, in whole or in part, is subject to the delivery to the County of an investor letter from the transferee to substantially the same effect as the Investor Letter signed by the offeror at Closing, with no revisions except as may be approved in writing by the County;
- (c) 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;
- (d) is not purchasing the 2025 Bond 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;
- (e) is a "Qualified Institutional Buyer" (as defined in Rule 144A promulgated under the Securities Act of 1933, as amended) or is an "Accredited Investor" (as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended);
- (f) has sufficient knowledge and experience in financial and business matters to be able to evaluate the risk and merits of the investment represented by the 2025 Bond and is able to bear the economic risks of such investment; and
- (g) has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the County and the use of proceeds of the 2025 Bond and the security therefor so that, as a reasonable investor, it has been able to make its decision to purchase the 2025 Bond.

II. EVALUATION OF OFFERS - CRITERIA

Offers will be evaluated based on cost, contractual flexibility and compliance with the proposed structure and terms of the 2025 Bond as outlined in this Request for Proposals.

A. Offer Format

In order to assist the County in reviewing the offers, each offer shall be prepared utilizing the following format and headings:

1. Contact Information - State the legal name of the financial institution or firm, current principal business address, contact person, telephone, and email.

2. Interest Rate - State the fixed rate being offered based on the Repayment Provisions. The County prefers for the fixed rate to be held through the Final Closing date (anticipated to be January 10, 2025) without a breakage penalty. If the interest rate provided is indicative and subject to change before the closing, please provide the index and calculation supporting the proposed rate. The only interest rate adjustment the County will consider is in the event the 2025 Bond is determined to be taxable solely due to the acts and/or omissions of the County.
3. Fees and Expenses - Describe in detail all fees and expenses which the County will be responsible to pay in connection with the 2025 Bond. The amounts stated in the offer shall represent the maximum amounts payable to the respondent by the County. All fees and expenses in excess of those stated in the offer shall be the sole responsibility of the respondent and will not be paid or reimbursed by the County. The County's Bond Counsel (Nabors, Giblin & Nickerson) will prepare the necessary documents and deliver an opinion regarding the excludability of interest from gross income for federal income tax purposes on the 2025 Bond. PFM will serve in the sole capacity as financial advisor to the County and not as a placement agent for the Note.
4. Conditions - Provide a listing of all conditions, terms, or restrictions, other than those specified in this Request for Proposals, which would be contained within in your commitment to provide the 2025 Bond.

III. INSTRUCTIONS TO RESPONDENTS

- A. Respondents shall thoroughly examine and be familiar with the specifications presented in this Request for Proposals. Failure of any respondent to receive or examine this document shall in no way relieve any respondent of obligations pertaining to its offer.
- B. Any changes or modifications in the offer to the specifications presented in this Request for Proposals can result in the rejection of the offer as being non-responsive.
- C. The responsibility for submitting the offer on or before the specified date and time will be solely and strictly the responsibility of the respondent. The County will in no way be responsible for delays caused by transmission of the offer or a delay caused by any other occurrence.
- D. The response deadline shall be strictly observed. Under no circumstances will an offer delivered after the time specified be considered.
- E. Respondents will not be allowed to withdraw or modify their offer for a period of ninety (90) days after the specified due date.
- F. The County reserves the right to reject the offer of any respondent 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 the terms of this Request for proposals.

- 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 respondent will in no way be a cause for relief from responsibility.
- H. The successful respondent may not assign any portion of the 2025 Bond except in accordance with the loan agreement between the parties.
- I. Changes to this Request for Proposals may be made by and at the sole discretion of the County.
- J. Warranties - The respondent, in submission of its offer, 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. No Collusion - The respondent, by submitting an offer in response to this Request for Proposals, certifies that its offer is made without previous understanding, agreement, or connection either with any other firms or corporations submitting an offer to provide the same term loan, or with the County. The respondent also certifies that its offer is in all respects fair, without outside control, collusion, fraud or otherwise illegal action.
- L. Discriminatory Vendor List - 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, 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.

IV. OTHER INFORMATION

- A. The County reserves the right to accept or reject any and all offers and to waive any irregularities or informalities in any offer and to reject any part of any offer as it may deem to be in the best interest of the County. The award will be to the institution whose offer complies with all of the requirements set forth in this Request for Proposals and whose offer, in the sole opinion of the County, is best for the County taking into consideration all aspects of the offer and the specification in this Request for Proposals, including the fixed rate offered and any additional terms, conditions and/or covenants.
- B. In the event the successful respondent does not execute a contract within a timeframe acceptable to the County, the County may give notice of intent to award the contract and sale of the 2025 Bond to the next best offer in the sole opinion of the County or to solicit new offers and may proceed to act accordingly.

- C. There is no expressed or implied obligation for the County to reimburse respondents for any expenses incurred in preparing an offer to this Request for Proposals.
- D. Purchasers will be provided with the opinion of Bond Counsel to the County, as to the validity of the 2025 Bond and the exclusion from gross income for federal income tax purposes of interest thereon and the opinion of the County Attorney, as to the due authorization, execution, and the due enactment and enforceability of the Bond Resolution, at no additional cost to the Purchaser.

Exhibit A:
Anti-Dilution Test

Without the prior written consent of the Lender, the County shall not hereafter incur any indebtedness payable from any Non-Ad Valorem Revenues (which includes any increases in the outstanding amount under any line of credit or similar arrangement), unless the aggregate Available Non-Ad Valorem Revenues, minus Excess Essential Government Services Expenditures, if any, for the prior Fiscal Year were at least 150% the maximum annual debt service of all debt (including all long-term financial obligations appearing on the County's most recent audited financial statements and the debt proposed to be incurred) to be paid from Available Non-Ad Valorem Revenues, minus Excess Essential Government Services Expenditures, if any.

For purposes of calculating the foregoing:

(A) if any indebtedness bears a rate of interest that is not fixed for the entire term of the debt (excluding any provisions that adjust the interest rate upon a change in tax law or in the tax treatment of interest on the debt or upon a default), then the interest rate on such indebtedness shall be assumed to be the highest of (i) the average rate of actual interest borne by such indebtedness during the most recent complete month prior to the date of issuance of such proposed indebtedness, (ii) for tax-exempt debt, The Bond Buyer Revenue Bond Index last published in the month preceding the date of issuance of such proposed indebtedness plus one percent, (iii) for taxable debt, the yield on a U.S. Treasury obligation with a constant maturity closest to but not before the maturity date of such indebtedness, as reported in Statistical Release H.15 of the Federal Reserve on the last day of the month preceding the date of issuance of such proposed indebtedness, plus three percent, provided that if the County shall have entered into an interest rate swap or interest rate cap or shall have taken any other action which has the effect of fixing or capping the interest rate on such indebtedness for the entire term thereof, then such fixed or capped rate shall be used as the applicable rate for the period of such swap or cap, and provided further that if The Bond Buyer Revenue Bond Index or Statistical Release H.15 of the Federal Reserve is no longer available or no longer contains the necessary data, such other comparable source of comparable data as selected by the County, shall be utilized in the foregoing calculations; and

(B) if an obligation has 25% or more of the aggregate principal amount coming due in any one year, debt service shall be determined on such obligation during such period of time as if the principal of and interest on such obligation were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of 25 years.

Definitions:

"Annual Debt Service" shall mean the aggregate amount of Debt Service on the Bonds for each applicable Fiscal Year.

"Available Non-Ad Valorem Revenues" means all Non-Ad Valorem Revenues other than (A) any revenues which are restricted by a contract in existence on the date hereof, or created subsequent

to the date hereof in connection with the incurrence of obligations permitted by the Resolution, from being used to pay Annual Debt Service on the Bonds when due; (B) any revenues which are prohibited by a general or special law of the State in existence on the date hereof from being used to pay Annual Debt Service on the Bonds when due; and (C) any source of Non-Ad Valorem Revenues which is created after the date hereof and which is prohibited by a general or special law of the State from being used to pay Annual Debt Service on the Bonds when due.

"Excess Essential Government Services Expenditures" means the excess, if any, of the expenditures made by the County for Essential Government Services over the ad valorem tax revenues received by the County, excluding ad valorem taxes revenues levied with respect to general obligation indebtedness.

"Non-Ad Valorem Revenues" means all revenues of the County derived from any source whatsoever other than ad valorem taxation.