



Legislation Details (With Text)

File #: R-2016-024 **Version:** 1 **Name:** Capital Improv Refunding Bonds Series 2016 Supplemental Bond Reso
Type: Resolution **Status:** Passed
File created: 1/20/2016 **In control:** Department of Financial Services
On agenda: 2/3/2016 **Final action:** 2/3/2016

Title: A Resolution Of The City Commission Of The City of Hollywood, Florida, Authorizing The Issuance Of Not To Exceed \$50,000,000.00 Aggregate Principal Amount Of Capital Improvement Revenue And Refunding Bonds, Series 2016A; Awarding The Negotiated Sale Of Such Bonds And Authorizing The Execution And Delivery Of A Bond Purchase Agreement With Merrill Lynch, Pierce, Fenner & Smith Incorporated And The Other Underwriters Named Therein For Such Bonds; Fixing Or Providing For The Determination Of The Date, Denominations, Maturities, Interest Rates, Redemption Provisions, And Other Details With Respect To Such Bonds Within The Parameters Set Forth Herein; Authorizing The Refunding Of Certain Prior Obligations Of The City; Authorizing The Use And Approving The Form Of A Preliminary Official Statement And A Final Official Statement In Connection With The Distribution Of Such Bonds And Other Action In Connection With The Issuance And Delivery Of Such Bonds; Appointing An Escrow Agent And Authorizing The Execution And Delivery Of An Escrow Deposit Agreement; Designating A Paying Agent And Registrar For Such Bonds And A Verification Agent; Authorizing The Execution And Delivery Of A Continuing Disclosure Certificate; Adopting A Book-Entry System Of Registration For The Bonds; And Providing An Effective Date.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Capital Improv Refunding Ser 2016 Supplemental Bond Resolution v9.pdf, 2. Exh A Capital Improv Refunding Series 2016 Bond Purchase Agreement 1-21-16.pdf, 3. Exh B Capital Improv Ref Series 2016 POS 01-22-2016.pdf, 4. Exh C Debt Financed Capital Projects FY 2013-2016.pdf, 5. Exh D Capital Improv Ref Series 2016 Escrow Deposit Agreement v5.pdf, 6. Exh E Capital Improv Refunding Series 2016 Continuing Disclosure Certif 01-25-2016.pdf, 7. terbonds2016 r1.pdf, 8. BIS 16084.pdf

Date	Ver.	Action By	Action	Result
2/3/2016	1	Regular City Commission Meeting	adopt	Pass

A Resolution Of The City Commission Of The City of Hollywood, Florida, Authorizing The Issuance Of Not To Exceed \$50,000,000.00 Aggregate Principal Amount Of Capital Improvement Revenue And Refunding Bonds, Series 2016A; Awarding The Negotiated Sale Of Such Bonds And Authorizing The Execution And Delivery Of A Bond Purchase Agreement With Merrill Lynch, Pierce, Fenner & Smith Incorporated And The Other Underwriters Named Therein For Such Bonds; Fixing Or Providing For The Determination Of The Date, Denominations, Maturities, Interest Rates, Redemption Provisions, And Other Details With Respect To Such Bonds Within The Parameters Set Forth Herein; Authorizing The Refunding Of Certain Prior Obligations Of The City; Authorizing The Use And Approving The Form Of A Preliminary Official Statement And A Final Official Statement In Connection With The Distribution Of Such Bonds And Other Action In Connection With The Issuance And Delivery Of Such Bonds; Appointing An Escrow Agent And Authorizing The Execution And Delivery Of An Escrow Deposit Agreement; Designating A Paying Agent And Registrar For Such Bonds And A Verification Agent; Authorizing The Execution And Delivery Of A Continuing Disclosure Certificate; Adopting A Book-Entry System Of Registration For The Bonds; And Providing An Effective Date.

Staff Recommends: Approval of the Resolution

Explanation:

The legal framework for the issuance of Capital Improvement Revenue Bonds was established through a previous Resolution of the City Commission. The specific terms of the Series 2016 Capital Improvement Revenue and Refunding Bonds are included in this proposed Supplemental Bond Resolution which serves as a companion agenda item to the previous Resolution.

The proposed Supplemental Bond Resolution authorizes the issuance of the Series 2016 Capital Improvement Revenue and Refunding Bonds in an amount not to exceed \$60,000,000 to refinance several existing series of bonds and loans secured with non-ad valorem revenues in order to provide debt service savings and the issuance of \$20,000,000 of additional bonds for the list of capital projects included in Exhibit C to this Supplemental Bond Resolution.

The proposed Supplemental Bond Resolution authorizes the use and approves the form of a Preliminary Official Statement (Exhibit B) and a Final Official Statement. The proposed Supplemental Bond Resolution also appoints an Escrow Agent and approves the form of an Escrow Deposit Agreement (Exhibit D). In addition, the proposed Supplemental Bond Resolution appoints other professionals (a paying agent and registrar and a verification agent) to assist in the issuance of the Series 2016 Capital Improvement Bonds. Further, the proposed Supplemental Bond Resolution approves the form and execution of a Continuing Disclosure Certificate (Exhibit E) in order to comply with Rule 15c2-12 of the United States Securities and Exchange Commission.

The refunding portion of the transaction will refinance the following existing loans:

- Series 2006 First Florida loan currently outstanding in the amount of \$11,000,000
- Series 2007 First Florida loan currently outstanding in the amount of \$1,060,000
- Series 2009B BB&T Bank loan currently outstanding in the amount of \$6,022,592.33, and
- Series 2010 BB&T Bank loan currently outstanding in the amount of \$5,913,834.31.

The refunding portion of the transaction will generate estimated net present value debt service savings of \$1.63 million or 8.1 percent of the refunded loans.

In July 2014, the City established a bond financing team consisting of a Financial Advisor and a pool of three Bond Underwriters. The Bond Underwriter next up in the rotation of the three firms is Merrill Lynch, Pierce, Fenner & Smith, Inc. - who will serve as the Senior Underwriter for the proposed Capital Improvement Revenue Bonds. The City will enter into a Bond Purchase Agreement (Exhibit A) with Merrill Lynch which will include the final terms of the bonds after the negotiated sale.

Recommended for inclusion on the agenda by:

Wazir Ishmael, Ph.D., City Manager
George R. Keller, Jr. Assistant City Manager
Matthew Lalla, Financial Services Director

