




TOWN OF GOLDEN BEACH

One Golden Beach Drive
Golden Beach, FL 33160

MEMORANDUM

Date: September 2, 2019

To: Honorable Mayor Glenn Singer &
Town Council Members

From: Alexander Diaz, 
Town Manager

Subject: **Civic Center Complex Financing**

In an effort to secure the best possible financing options for our Civic Center Complex, this summer Mayor Singer, the Finance Director and I met with several banks to discuss our options.

We reached out and met with six banks:

- Northern Trust
- Synovus
- Ocean Bank
- City National Bank
- Iberia Bank
- Safra Bank

Typically when governments need to secure financing for a project like ours, they will draft a Request for Proposal with an exact structure on how they would like the financing to be structured. We chose not to follow that model; we feel that allowing the banks to provide us with their best and final financing instrument gives the Town a variety of options to evaluate.

We did provide some funding parameters:

- The Town needs a total of \$4-million for this project
- The Town is open to one or two loans/lines of credit
- The Town needed at a minimum 20 years with no prepayment penalties

- The Town will pay down an initial \$2-million with forfeited assets
- The remaining \$2-million will be guaranteed with a covenant to budget (this is pledging our non-ad valorem revenues to secure the loan)

The six financial institutions were asked to provide us indicative rates and financing instruments for evaluation by mid-August. Out of the six banks, only five responded and submitted proposals. We reviewed and evaluated the proposals and narrowed the list down to the three we determined provided the most unique terms and most competitive rates (Northern Trust, City National Bank, and Iberia Bank).

A second meeting was held with each one of the selected respondents to better understand their terms and rates.

Each of the three institutions were asked to provide us their best and final options and rates by noon on October 8, 2019.

At the October 15, 2019 Regular Town Council Meeting we will be making a formal recommendation to select the institution that provided the Town with the most unique option and most competitive rates. At that time we will share the responses of the original 5 respondents and the final submittal of the three we narrowed the list down to.

Should you have specific questions or input, please see me individually.