

**TOWN OF GOLDEN BEACH, FLORIDA**

**RESOLUTION NO. 2651.19**

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF GOLDEN BEACH, FLORIDA, AUTHORIZING NEGOTIATIONS FOR THE FINANCING OF THE CIVIC CENTER COMPLEX MASTERPLAN BETWEEN THE TOWN AND CITY NATIONAL BANK; PROVIDING FOR IMPLEMENTATION OF AGREEMENT; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the Town of Golden Beach ("TOWN") initially met with six financial institutions, and received proposals from five of those financial institutions to secure funding for the Civic Center Complex Masterplan; and

**WHEREAS**, from those five firms, the list was narrowed down to the three most competitive firms with the most beneficial terms and competitive interest rate; and

**WHEREAS**, Northern Trust, City National Bank and Iberia Bank submitted the best and final proposals, attached as Exhibit "A"; and

**WHEREAS**, the TOWN finds that it is in the best interest of the TOWN to enter into negotiations with City National Bank as they provided the most responsive proposal; and

**WHEREAS**, the TOWN has performed extensive reference checks, and City National Bank has a strong history in serving as the depository for many South Florida municipalities and funds many municipal projects; and

**NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF GOLDEN BEACH, FLORIDA, AS FOLLOWS:**

**Section 1. Recitals Adopted.** That each of the above stated recitals are hereby adopted, confirmed and incorporated herein.

**Section 2. Agreement Approved.** That the Agreement, in substantially the form attached hereto, between the TOWN and CITY NATIONAL BANK is hereby approved, and the Mayor is hereby authorized to execute the Agreement, on behalf of the Town, once approved as to form and legal sufficiency by the Town Attorney.

**Section 3. Implementation.** That the Mayor and Town Manager are hereby authorized to take any and all action necessary to implement this Resolution and the Agreement in accordance with the terms, conditions and purposes of this Resolution and the Agreement.

**Section 4. Effective Date.** That this Resolution shall be effective immediately upon adoption.

Sponsored by **Town Administration.**

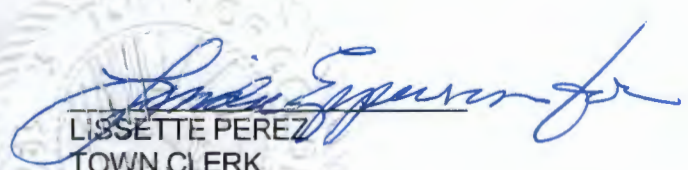
The Motion to adopt the foregoing Resolution was offered by Councilmember Bernstein seconded by Councilmember Mendal and on roll call the following vote ensued:

Mayor Glenn Singer	<u>Aye</u>
Vice Mayor Kenneth Bernstein	<u>Aye</u>
Councilmember Judy Lusskin	<u>Aye</u>
Councilmember Jaime Mendal	<u>Aye</u>
Councilmember Bernard Einstein	<u>Aye</u>

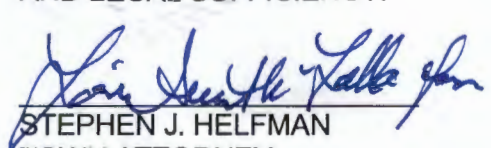
**PASSED AND ADOPTED** by the Town Council of the Town of Golden Beach, Florida, this 15<sup>th</sup> day of October, 2019.

  
\_\_\_\_\_  
MAYOR GLENN SINGER

ATTEST:

  
\_\_\_\_\_  
LISSETTE PEREZ  
TOWN CLERK

APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY:

  
\_\_\_\_\_  
STEPHEN J. HELFMAN  
TOWN ATTORNEY



# 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.

## CIVIC CENTER COMPLEX FINANCIAL OPTIONS

Bank Name	Amount	Rate	Terms	Repayment	Fees	Conditions & Covenants	Collateral
Northern Trust	2 million	2.97%	3 year	Semi-annual	No fee	Depository Relationship	Assigment of drug enforcement agency funds
* Line of credit		overnight libor rate + 1.15% tax exempt					Pledge of non-Ad Valorem revenues supported by budget
	2 million	3.04% Fixed	20 year	Semi-annual			Pledge of non-Ad Valorem revenues supported by budget
		rate fixed for 10 yrs, rate changes to current market at 10th yr anniversary					
City National Bank	4 million	2.67% Fixed	20 year	Semi-annual	No Fee	Depository Relationship minimum \$1,000,000	Covenant to budget, appropriate from all non-Ad valorem revenue
		adjusted daily prior to final decision		interest only 24 months during construction		Automatic Debit Payments	
		After- Annual principal paym., semi-annual interest paym.					
Iberia Bank	4 million	2.90% Fixed	20 year	Monthly	No Fee	Depository Relationship	First lien pledge on ALL of the Town's revenue line items excluding ad-valorem taxes
				interest only 24 months during construction			
		After- monthly principal and interest based on 18 yr amortization schedule					

\* All are subject to formal review of the Town's  
financials and credit approval & pledge of non  
Ad Valrem Revenues

LIBOR rate	1.89	1 year
LIBOR rate 10/8/19	1.94	one month
PRIME RATE	5%	

October 8, 2019

Maria Camacho  
Town of Golden Beach  
1 Golden Beach Drive  
Golden Beach, FL 33160

Sent via email: [mcamacho@goldenbeach.us](mailto:mcamacho@goldenbeach.us) with cc: [AlexDiaz@goldenbeach.us](mailto:AlexDiaz@goldenbeach.us)

Ref: Town Hall Financing

Dear Ms. Camacho:

City National Bank of Florida ("Bank") is pleased to provide you with the following Term Sheet which outlines the basic terms and conditions currently being contemplated for the proposed extension of credit to the Town of Golden Beach.

<b>Borrower:</b>	Town of Golden Beach, Florida (the "City")
<b>Lender:</b>	City National Bank of Florida (the "Bank")
<b>Type of Financing:</b>	Fixed Rate Bank Qualified Loan (the "Loan")
<b>Loan Amount:</b>	\$4,000,000.00
<b>Purpose:</b>	The proceeds of the "Note" will be for construction of a Town Hall.
<b>Collateral/Security:</b>	Covenant to Budget and Appropriate from all legally available non-Ad valorem revenue.
<b>Repayment Terms:</b>	Interest-only paid semi-annually for 24 months for construction, followed by the remainder of 10-year term based on a 20-year amortization with annual Principal Payment Dates and semi-annual Interest Payment Dates.
<b>Closing:</b>	Expected November 2019
<b>Interest Rate:</b>	Bank Qualified Tax Exempt rate of <u>2.67%</u> .
<b>Rate Indexing:</b>	The rate is indicative and can change daily. A new rate will be fixed two (2) business days prior to its funding by using the following formula: [CNB Bank Adjusted Rate + 1.65%] x 0.79
<b>Bank Qualification:</b>	Borrower reasonably anticipates that the Loan will be Bank Qualified.
<b>Pre-Payment:</b>	The Town can pre-pay the loan at any time with no pre-payment penalty
<b>Loan Fee:</b>	None.

**Authorized Signors:** Borrower's governing board shall provide Lender with its resolution or ordinance authorizing this Agreement and shall designate the Individual(s) to execute all necessary documents used therein.

**Legal Opinion:** Borrower's counsel shall furnish Lender with an opinion covering the Note, the documents used herein, that the portion of payments designated as and constituting interest paid by Borrower and received by Lender is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State personal income taxes and that such interest is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. This opinion shall be in a form and substance satisfactory to Lender.

**Documentation:** Documentation will be furnished by Borrower's counsel and will be in a form and substance satisfactory to the parties. Borrower will also provide board resolutions, incumbency certificates and other documentation required by Lender.

**Treatment:** The Lender intends to treat the Note as a privately placed loan versus a publicly traded security and will therefore be issued as a single obligation equal to the amount of the borrowing. The Note will not be assigned a CUSIP, registered with the DTC, feature certain transfer restrictions between bank affiliates or institutional buyers and cannot be marketed via an offering document.

**Disclosure:** Lender is not a registered municipal advisor as defined under the Dodd-Frank Wall Street Reform and Consumer Protection Act and does not provide financial or tax advice.

**Proposal Expiration:** October 31, 2019 unless extended by Bank

**Financial Covenants:** The Loan Documents will include monitored financial covenants that are customary for lending transactions of this type and appropriate in the judgment of Bank, including at a minimum:

**Minimum Debt Service Coverage Ratio  $\geq$  1.25x, tested annually.**

All accounting terms used, unless otherwise defined differently herein, shall be construed in accordance with Generally Accepted Accounting Principles ("GAAP").

**Credit Due Diligence:** Additional information may be requested during the underwriting process. This term sheet is a summary regarding the financing transaction on the general terms and conditions outlined herein. This term sheet is not intended to and does not create any binding legal obligation on the part of either party. Credit, legal and investment approval have not yet been obtained for the amount or other aspects of the proposed financing, and after obtaining the same, any commitment will be subject to the negotiation, execution and delivery of final legal documentation acceptable to all parties and their counsel. Lender may change the terms or cease future consideration of the financing at any time without liability to Borrower. In



any event, the terms and conditions of this term sheet, shall be superseded by and shall no longer be effective upon the execution and delivery of final legal documentation with respect to this proposed transaction. This term sheet does not purport to summarize all of the terms and conditions upon which the Note are to be based, which terms and conditions would be contained fully in final documentation, and indicates only the principal term and conditions under which the transaction will be considered.

**Conditions Precedent to Closing:**

In addition to the usual and customary conditions for lending transactions of this type, any obligation of the Bank to provide financing is subject to satisfaction of the following conditions at or prior to the Closing Date or prior to disbursement of funds as indicated on a basis satisfactory to the Bank:

1. Completion of due diligence and analysis up to the date of closing.
2. Bank receipt and satisfactory review by Banks outside legal counsel of the organizational documents of Borrower.
3. Bond counsel opinion on qualifying for tax-exempt financing.
4. Borrower's Counsel Opinion substantially in the form approved by Bank and its Counsel.
5. Subject to such other terms and conditions requested by Bank and/or its counsel.
6. Borrower to open and maintain a depository account with minimum balances of USD\$1,000,000 with Bank at close.
7. Borrower to establish and maintain its main banking services including depository and treasury management relationship with Bank.

**Events of Default:**

The Loan Documents will contain Events of Default that are usual and customary for lending transactions of this type, subject to limitations and exceptions to be agreed upon, including, but not limited to, defaults based upon non-payment of any principal, interest, fees or other charges when due under terms of the Loan Documents, misrepresentations, breach of covenants, insolvency or bankruptcy of any Borrower or Guarantor, non-compliance with law, entry of certain judgments, change of control and cross defaults with respect to other debt for borrowed money.

**Bank Counsel Fees:**

To review the documents and prepare the note should not exceed \$6,000.00.

**Costs:**

The Borrower will be responsible for all legal fees of Bank actually incurred in connection with the preparation, negotiation and execution of the Loan Documents, all reasonable out-of-pocket expenses, including, without limitation, all business, financial, and collateral due diligence expenses and, to the extent provided herein, examination fees and attorney's fees that can be rolled into the loan amount at closing.



It is a pleasure to offer this financing proposal to the Town. We hope that our genuine excitement regarding the opportunity shines through in our response. As always, please don't hesitate to reach out with any questions.

Very truly yours,



Lance Aylsworth  
Senior Vice President  
City National Bank of Florida  
[lance.aylsworth@citynational.com](mailto:lance.aylsworth@citynational.com)

**Agreed to and Accepted by:  
The Town of Golden Beach**

X \_\_\_\_\_

Authorized Signor Name: \_\_\_\_\_

\_\_\_\_\_  
Title of Authorized Signor

\_\_\_\_\_  
Date of Term Sheet Execution

**IBERIABANK**  
PRIVATE CLIENT

October 2, 2019

Mr. Alexander Diaz  
Town Manager  
Town of Golden Beach, Florida  
Re: Revolving Line of Credit Response  
Golden Beach, Florida 33160

**RE: \$4,000,000.00 Term Loan**

Dear Mr. Diaz,

On behalf of IBERIABANK, (the "Bank") we would like to thank you for the opportunity to consider financing the loan transaction referenced below. The Bank has an interest in continuing discussions for a loan with a structure and terms as follows:

- Borrower:** Town of Golden Beach, Florida
- Loan Amount:** \$4,000,000.00 – Term Loan.
- Purpose:** The Town of Golden beach is requesting a proposal for a Bank Qualified Tax Exempt fixed rate loan in the amount of \$4MM. The Town of Golden Beach is relocating a new town hall building and developing a civic center master plan, including relocating paved basketball courts, tennis courts & playground, as well as to renovate the current town hall into a private gym, game room, and usable rooftop area with shading for the residents.
- Collateral:** The loan shall be secured by a first lien pledge on all of the Town's revenue line items, Excluding Ad-Valorem Taxes, (collectively, the "Pledged Revenues"). In addition, the Borrower will covenant to budget and appropriate legally available funds of the Borrower to the extent the Pledged Revenues are not sufficient to pay any debt service payments when due.
- Guarantor:** None
- Maturity:** 20 Years from Closing
- Compensating Balances:** Borrower shall maintain all primary operating depository accounts with lender throughout the term of the loan.
- Repayment Terms:** 24 months interest only, followed by 216 monthly principal and interest payments based on an 18 year amortization schedule.
- Pre-payment Penalty:** None

**Interest Rate:** Bank Qualified Tax Exempt Ten (10) year Fixed Rate of 3.08%. Thereafter, the interest rate will be re-priced every five (5) years at the then five (5) Year Treasury + 1.39% fixed.

**Commitment Fee:** None

**Loan Conditions:** The loan agreement will contain such usual types of covenants and event of default provisions as is usual and customary for this type of loan transaction, including without limitation the following: (i) a prohibition against Borrower issuing any additional debt secured by any of the Pledged Revenues without the Bank's prior written consent, (ii) a default rate equal to the lesser of 18% per annum based on a year of 360 days and the maximum rate allowed under Florida law, (iv) a late charge equal to 5% of each payment past due for 10 or more days, (v) acceleration of all outstanding amounts due upon default, (vi) Borrower maintaining a depository relationship with the Bank, and (vii) an opinion letter from the Borrower's counsel confirming that Borrower is duly authorized to enter into the Loan, the Borrower has the capacity to pledge all revenue line items (**Excluding ad valorem taxes**) and that all of such revenues are unencumbered, and such other matters as customary for such a transaction as determined by the Bank and its counsel in their reasonable discretion.

**No Advisory or  
Fiduciary Role:**

The Town acknowledges and agrees that: (i) information contained in this document regarding the Loan is for discussion purposes only in anticipation of engaging in arm's length commercial transactions with the Town in which the Bank would be acting solely as a principal to make a loan to the Town, and not as a municipal advisor, financial advisor or fiduciary to the Town or any other person or entity regardless of whether the Bank or an affiliate has or is currently acting as such on a separate transaction; (ii) the Bank has not assumed any advisory or fiduciary responsibility to the Town with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Bank or its affiliates have provided other services or are currently providing other services to the Town on other matters); (iii) the only obligations the Bank has to the Town with respect to the transaction contemplated hereby expressly are set forth in this term sheet and the financing documents; and (iv) the Town has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

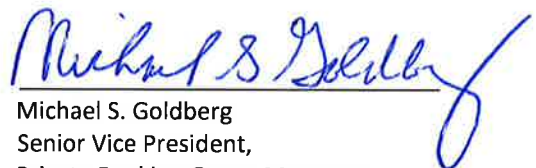
Note: This letter does not constitute an offer by Bank to make a loan. No such offer exists, and no such offer shall exist unless and until communicated by Bank. This is a non-binding term sheet describing basic terms and conditions under which Iberiabank would consider entering into a credit relationship with Borrower and is subject to further due diligence and credit approval. This letter shall in no event constitute a "credit agreement" as defined in Section 687.0304, Florida Statutes. This letter is being submitted to you on a confidential basis, and the terms of the proposed arrangement set forth above are not to be divulged by you to any other lender or third parties.

Thank you for the opportunity to consider financing this transaction. We look forward to pursuing this opportunity with you.

Sincerely,



Eli Sasson-Bril  
Assistant Vice President,  
Private Banking Relationship Manager



Michael S. Goldberg  
Senior Vice President,  
Private Banking Group Manager



**NORTHERN  
TRUST**

### Proposed Terms and Conditions

The following summary is for discussion purposes only and is not a commitment to lend or otherwise extend credit, nor should you rely on it as such. Any commitment would be subject to additional due diligence, credit approval, and the negotiation and execution of credit documentation satisfactory to The Northern Trust Company in its sole discretion. The terms outlined below do not purport to summarize all of the conditions, covenants, representations, warranties and other requirements that would be included in such credit documentation, and terms may be changed or supplemented. This is for your confidential use only, and without the prior written consent of The Northern Trust Company the contents or existence of this term sheet may not be disclosed to a third party other than the Proposed Borrower's financial advisors and attorneys:

#### Facility #1:

**Borrower:** Town of Golden Beach, Florida

**Purpose:** To provide funds for the construction of new Civic Center and related improvements.

**Type:** Line of Credit

**Amount:** \$2,000,000 (Two million dollars and no cents)

**Interest Rate:** Overnight Libor + 1.15% Tax Exempt (currently 2.97%). Notwithstanding the forgoing, the interest rate shall not be less than 1.15% at any time.

**Fee:** None

**Term:** 3 years

**Repayment:** Semi-annual interest only payments, principal due at loan maturity

**Collateral:** This loan shall be secured by:

- 1) Assignment of Drug Enforcement Agency funds
- 2) Pledge of non-Ad Valorem revenues supported by covenant to budget/appropriate sufficient Non-Advalorem revenues for loan repayment

**Prepayment:** Loan proceeds can be borrowed and repaid without penalty at any time during the term of the Line of Credit.

Facility #2:

Borrower: Town of Golden Beach, Florida

Purpose: To provide funds for the construction of new Civic Center and related improvements.

Type: Term Loan

Amount: \$2,000,000 (Two million dollars and no cents)

Interest Rate: Tax-Exempt 10 year fixed rate of 3.04% (Assumes loan is Bank Qualified), thereafter new 10 year fixed rate shall be provided based on then prevailing market interest rates. The above fixed rate is indicative based on market conditions as of October 7, 2019 and can vary based on normal market fluctuations.

Fee: None

Term: 20 years

Put Feature: Northern Trust shall have the right in its sole discretion to call the loan due in full on the 10 year anniversary from the closing date of the loan.

Repayment: Semi-annual principal and interest payments based on a 20 year amortization schedule.

Collateral: This loan shall be secured by:

- 1) Pledge of non-Ad Valorem revenues supported by covenant to budget/appropriate sufficient Non-Advalorem revenues for loan repayment

Prepayment: A prepayment penalty may apply for any unscheduled principal reductions made during the initial 5 year term of the Loan. After year 5, there shall be no prepayment penalty applicable for any unscheduled principal reductions.

The following terms and conditions shall apply to Facility #1 and Facility #2:

- 1) Interest Rates: If for any reason, the interest on Loan becomes includable in the gross income of Northern Trust for federal income tax purposes, the interest rate on Loan shall increase as of the effective date of such event to a rate of interest that shall result in the same yield to Northern as the taxable equivalent yield on the Loan.

2) Expenses: Proposed Borrower to pay all fees, costs, and disbursements reasonably incurred by Northern Trust including but not limited to the costs of outside legal counsel.

3) Loan Documents, Covenants: The loan documents will contain such usual types of representations including but not limited to general warranties, covenants, events of default, default interest rate provisions and other conditions as are required by Northern Trust.

The Northern Trust loans shall be cross-defaulted.

4) Reporting Requirements:

Borrower shall provide audited statements annually no later than 180 days from the fiscal year end. Fiscal year end statements shall be prepared by independent certified public accountants selected by the Borrower and satisfactory to Northern.

Although the proposed loans are not subject to normal construction monitoring, the Borrower shall provide Northern Trust with a quarterly construction status report for informational purposes.

2) Financial Covenants: Minimum Annual Debt Service Coverage. Borrower shall meet a minimum Annual Debt Service Coverage Ratio of 1.00x. Debt Service shall be measured as Borrower's total operating revenues less Borrower's total operating expenses exclusive of interest on debt, divided by annual Debt Service Obligations, including Northern Trust and non-Northern Trust debt obligations.





# TOWN OF GOLDEN BEACH

One Golden Beach Drive  
Golden Beach, FL 33160

---

## MEMORANDUM

---

**Date:** October 15, 2019

**To:** Honorable Mayor Glenn Singer and  
Town Council Members

**From:** Alexander Diaz, *Alex B.*  
Town Manager

**Subject:** **Resolution No. 2651.19- Authorizing Negotiations for the  
Financing of the Civic Center Complex Masterplan between  
the Town and City National Bank**

Item Number: <u>4</u>
--------------------------

---

### **Recommendation:**

It is recommended that the Town Council adopt the attached Resolution No. 2651.19 as presented.

### **Background:**

At the September Council meeting, we provided a memorandum (enclosed) on the steps the administration has taken to secure funding for the Civic Center Complex. There were three financial institutions invited to submit their best and final terms and rates.

Northern Trust, City National Bank and Iberia Bank submitted revised proposals (enclosed). After comparing the submittals (spreadsheet attached) we are recommending that you authorize the Mayor and I to negotiate final terms and rates with City National Bank.

City National is offering one \$4-million loan at an indicative rate of 2.67% fixed for 20 years. The first 24 months will require interest only payments after that period semi-annual payments of principal and interest is called for. The loan will be secured with a covenant to budget of non- ad valorem revenues. City National does require that we keep \$1-Million in deposits with their institution.

Based on reference checks (Village of Indian Creek, City of West Miami and the Village of Pinecrest) City National has a strong history in serving as the depository for many South Florida municipalities and funds many municipal projects; all had positive feedback.

### **Fiscal Impact:**

Financing of \$4-Million Dollars for the Civic Center Complex Master Plan Project.