CITY OF CRYSTAL RIVER, FLORIDA

REQUEST FOR PROPOSAL #21-RFP-02

FOR TAX EXEMPT BANK LOAN FINANCING FOR THE CITY’S

TAX-EXEMPT REVENUE PROMISSORY NOTE, SERIES 2020

RFP Issue Date: October 23, 2020

Proposal Due Date: November 25, 2020 @ 2:00 pm Eastern Time
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**ADDITIONAL INFORMATION:**

Comprehensive Audited Financial Reports for FYE 2018 and 2019
https://www.crystalriverfl.org/finance/page/annual-audit-reports
A. PURPOSE

City of Crystal River, Florida (the “City”) is issuing this Request for Proposal (“RFP) from qualified financial institutions (the “Proposers”) to provide a Qualified Tax-Exempt bank loan in a principal amount of not-to-exceed $4.5 million. Proceeds from the City’s Qualified Tax Exempt Revenue Promissory Note, Series 2020 (the “Note” or "Loan") will be used to pay off financial obligations related to the City’s Community Redevelopment (CRA) Iberia Bank revenue note, Series 2016 utilized to finance certain public improvements within the Crystal River CRA area including design and construction of the Kings Bay Riverwalk Project and substantial redevelopment to Hunters Springs Park.

The City shall accept and review proposals from Proposers based upon the preliminary financing structure provided below. The City will select the financial institution that provides the lowest overall borrowing cost to the City while meeting the financing requirements of the City (the “Bank”).

B. STRUCTURE

<table>
<thead>
<tr>
<th>Amount:</th>
<th>Not-to-exceed $4.5 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Settlement Date:</td>
<td>Expected on or about January 10, 2021</td>
</tr>
<tr>
<td>Credit Facility:</td>
<td>$1,300,000 Line of Credit for Three Years</td>
</tr>
<tr>
<td></td>
<td>$3,200,000 Payoff Existing Note</td>
</tr>
<tr>
<td>Rate:</td>
<td>Qualified Tax-Exempt</td>
</tr>
<tr>
<td>Prepayment:</td>
<td>The City requests the ability to prepay the loan in whole or in part without penalty. Other prepayment provisions will be considered.</td>
</tr>
<tr>
<td>Final Maturity:</td>
<td>February 15, 2031</td>
</tr>
<tr>
<td>Interest Payment Dates:</td>
<td>Semi-annually on June 1 and December 1, commencing June 1, 2021</td>
</tr>
<tr>
<td>Interest Compounding:</td>
<td>None</td>
</tr>
<tr>
<td>Interest Day Count Method:</td>
<td>30/360</td>
</tr>
<tr>
<td>Principal Payment Dates:</td>
<td>Annually on December 1, commencing December 1, 2021</td>
</tr>
</tbody>
</table>

C. SECURITY

The Note will be secured by a covenant to budget and appropriate from legally available CRA Tax Increment Financing (TIF) Annual Revenues of the City in amounts sufficient to repay the principal and interest of the loan. Such covenant to budget and appropriate shall not prohibit the City from pledging such CRA Tax Increment Financing (TIF) annual revenues, or any portion thereof, to secure other debt issued in the future. The Loan shall not be considered a general obligation of the City. Neither the full faith or credit nor taxing...
D. ADDITIONAL BONDS TEST

The City will NOT accept proposals that require the Bank’s approval before additional debt may be issued. The Note must allow for the issuance of additional debt secured by CRA Tax Increment Financing (TIF) Annual Revenues subject to a debt service coverage ratio of 1.5 times the amount of the maximum debt service requirement of all CRA Tax Increment Financing (TIF) Annual Revenue Obligations then outstanding and those proposed to be issued; however, the City may incur additional CRA Tax Increment Financing (TIF) Annual Revenues Obligations to refund or defease all Outstanding Obligations without complying with the foregoing requirements.

E. TAX STATUS

The Note will be issued as a tax-exempt obligation pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986.

F. ACCELERATION

The City will NOT accept proposals that require acceleration as a remedy for a default.

G. DOCUMENTATION

Bond Counsel will prepare the authorizing resolution and all documents to close the Note. The Bank will be furnished, without charge, the opinion of the City’s Bond Counsel, approving the legality of the Note, together with the closing certificates and documents related to the transaction.

At the closing of the Note, the Bank will be required to make certain certifications, including, but not limited to, signing a closing certificate that:

a. it is making the Loan for its own account, does not currently intend to syndicate the Loan, will take no action to cause the Loan to be characterized as a security, and will not treat the Loan as a municipal security for purposes of the securities law;

b. it is not acting as a broker or other intermediary, and is funding the Loan from its own capital for its own account, and not with a present view to a resale or other distribution to the public;

c. the Loan will not be used in the future on a securitized transaction or being treated as a municipal security;

d. it understands that the Loan is evidenced by a note, the note is issued in a single denomination equal to the aggregate principal amount of the Loan, may not be transferred except in whole, will not be transferred to any kind of trust under any circumstances;

e. the Loan will only be sold by the Bank to a Permitted Lender, with the City’s consent. The Permitted Lender 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;
f. it is not funding the Loan 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;

g. it has in its possession, or has had access to, all material information concerning the security and sources of payment of the Note, and, as a result thereof, is thoroughly familiar with the nature and risks of an investment in the Note. It has been afforded access to all material information, and has had sufficient opportunity to discuss the business of the City and the projects financed with the proceeds of the Note, with its officers, employees and others, and has been permitted to make an investigation of the City and its operations. It does not require any further information or data concerning the City;

h. in purchasing the Note, it has relied solely upon its own investigation, examination, and evaluation of the City and other relevant matters, and has not relied upon any statement or materials which have not been supported by its own investigation and examination;

i. it has knowledge and experience in financial and business matters, particularly in governmental obligations, is capable of evaluating the merits and risks of its investment in the Note, and has determined that it can bear the economic risk of its investment in the Note;

j. it acknowledges the understanding that the Note is not being registered under the Securities Act of 1933, as amended (the "1933 Act") or Chapter 517, Florida Statutes, and that the City shall have no obligations to effect any such registration or qualification. It also acknowledges that it is an "accredited investor" within the meaning of Chapter 517, Florida Statutes, and Regulation D of the 1933 Act;

k. there will be no CUSIPs obtained on the Loan; and,  
l. there will be no credit rating obtained on the Loan.

The Bank shall also be required to execute such additional certifications or acknowledgments as are customary on similarly structured municipal finance transactions in Florida, as reasonably determined by Bond Counsel and counsel to the financial institution.

H. PROPOSAL FORMAT

Proposals will be evaluated based on their overall borrowing cost to the City while meeting the financing requirements of the City. In order to assist the City and its Financial Advisor in reviewing the responses, each proposal should include the following information:

(1) The legal name of the Proposer and the Proposer’s primary contact person(s) (include address, telephone number, facsimile number, and e-mail address).

(2) A proposed qualified tax-exempt loan for the full term of the Loan. The Proposer shall give a stated time in which the proposed rate will be held until, as well as the index in which the rate shall be calculated, should the stated time elapse. No interest rate hedge will be considered.

(3) Describe in detail all fees and expenses which the City will be responsible to pay to the Proposer, including any counsel fees. The City has retained the law firm of Gilligan, Gooding, Batsel, Anderson and Phelan, P.A. to prepare the Loan documents. The amounts stated in the proposal shall represent the maximum amounts payable to the Proposer by the City. All fees and expenses, with the exception of those of Bond Counsel, in
excess of those stated in the proposal, shall be the sole responsibility of the Proposer, and will not be paid or reimbursed by the City.

(4) A listing of all conditions, covenants, terms or restrictions, other than those specified in this RFP, which would be included in the Proposer’s commitment to provide the Loan.

I. MISCELLANEOUS

(1) The City will not accept proposals with reserve requirements or other restrictions to revenues or requirements to maintain minimum balances in any bank account as a condition for the Loan.

(2) The City reserves the right, in its sole discretion, to accept or reject any and all proposals, to waive any irregularities or informalities in any proposal or in the bidding, and to accept or reject any items or combination of items. Further, the City has the right to reject any proposal not meeting the requirements of this RFP. Moreover, if the City rejects all proposals, the City reserves the right to negotiate with any of the Proposers or any other entity to secure the intended financing. The City reserves the right at any time, including after the opening and review of the proposals, to ask Proposers questions and seek clarification and additional information in regards to the proposals submitted. The final award will be to the Proposer whose response best complies with the requirements set forth in this RFP and whose bid, in the opinion of the City, is in best interest of the City, taking into consideration all aspects of the Proposer’s response. The City is not obligated to accept the lowest proposal. The award is subject to approval by the City Council and contingent upon execution of a note, loan agreement and other closing documents acceptable to the City. The City reserves the right, for any reason, to rescind any award prior to the execution of a note or loan without liability to the City.

(3) Changes to this RFP may be made by and at the sole discretion of the City. Any addenda to the RFP will be posted on the city website. It is the bidder’s responsibility to check for any addenda prior to the submittal date. During the proposal evaluation process, the City reserves the right to request additional information or clarifications from the Proposers, or to allow, in the City’s sole discretion, corrections of errors or omissions in a proposal.

(4) The City shall not be liable for any expenses incurred in connection with the preparation of a response or proposal to this RFP. By submitting a proposal in response to this RFP, Proposers waive and release any and all right to make claims for reimbursement of proposal preparation costs against the City and its officers, officials, employees, attorneys and agents.

(5) The Proposer is required to conduct its own investigation and evaluation of the creditworthiness of the Loan. The Proposer is provided a link to the City’s Website (https://www.cityofcrystalriver.org) which has information regarding the City and its financial condition. Additional financial information will be provided upon request by the bidder and is NOT in any way intended to relieve the bidder of its responsibility to investigate all relevant or material facts in reaching a credit decision with respect to the Loan. All requests for clarification or additional information should be directed via email to:

City of Crystal River
Michelle K. Russell-Maynard
Finance Director
mrussell@crystalriverfl.org
Federal, State, City and local laws, ordinances, rules and regulations that in any manner affect the items covered herein apply. Lack of knowledge by the Proposer will in no way be a cause for relief from responsibility.

No successful offeror may assign any portion of the contractual agreement between the parties without prior written authorization by the City.

Warranties. The Proposer, in submission of its proposal, warrants to the City that it will comply with all applicable Federal, State, City and local laws, regulations and orders in providing the services under the proposed documents.

Public Records Law. In accordance with Chapter 119, Florida Statutes, the Public Records Act, all Proposers should be aware that this RFP, and the proposals submitted in response thereto, are made in the public domain, and are subject to disclosure, except to the extent expressly exempted or made confidential under the Public Records Act. In accordance with Section 119.071(1)(b), Florida Statutes, proposals submitted in response to this RFP are temporarily exempt from public disclosure until such time as the City provides notice of an intended decision, or until thirty (30) days after opening the proposals, whichever occurs earlier. The proposal submitted by the Proposer may contain information, which is designated “confidential” or “exempt” from disclosure under the Public Records Act and other applicable laws. If your proposal contains such information, you are required to advise the City with specificity the applicable law making those provisions exempt or confidential from disclosure and the specific information considered exempt. A generic notation that information is “exempt” or "confidential" will not suffice. Failure to provide a detailed explanation and justification including statutory cites and specific reference to your proposal detailing what provisions, if any, you believe are exempt from disclosure, may result in your proposal or any portion thereof, being subject to disclosure in accordance with Chapter 119 of the Florida Statutes. If the City determines that the cited provisions of law are inapplicable or otherwise do not justify exemption or confidentiality, the City shall have the right to release such information and records for public inspection and copy in accordance with the Public Records Act. By submitting a proposal, the Proposer holds the City and its officers, officers, employees, attorneys and agents harmless concerning the disclosure of information contained within the proposal.

Discrimination (Florida Statutes, 287.134(2)(a)): 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.

J. TIME SCHEDULE*

The financing timetable provided below is preliminary and subject to change.

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 23, 2020</td>
<td>Issue RFP</td>
</tr>
<tr>
<td>November 4, 2020</td>
<td>Deadline to submit written questions (on or before 2:00 p.m. ET)</td>
</tr>
<tr>
<td>November 11, 2020</td>
<td>Addendum provided with responses to written questions (if applicable)</td>
</tr>
<tr>
<td>November 25, 2020</td>
<td>Proposal due date (on or before 2:00 p.m. ET)</td>
</tr>
<tr>
<td>December 14, 2020</td>
<td>City Councils meeting (approval of resolution and execution of documents pertaining to the Note)</td>
</tr>
<tr>
<td>January 10, 2021</td>
<td>Closing of the Note</td>
</tr>
</tbody>
</table>

* Preliminary; subject to change.
K. RFP INSTRUCTIONS

All bids must be submitted via e-mail (in .pdf format) to both the City and its Financial Advisor to the e-mail addresses provided below for receipt no later than **2:00 p.m. ET on November 30, 2020.**

_In City of Crystal River_
Michelle K. Russell-Maynard
Finance Director
mrussell@crystalriverfl.org

The City shall not bear the responsibility for proposals emailed past the stated due date and time indicated, or to an incorrect email addresses by the Proposer’s personnel.