

TOWN OF PALM BEACH

Information for Town Council Meeting on: February 11, 2020

To: Mayor and Town Council

Via: Kirk Blouin, Town Manager

From: Jane Le Clainche, Director of Finance

Re: Resolution for the Loan with CenterState Bank N.A. for the Marina Project
Resolution No. 08-2020

Date: January 31, 2020

STAFF RECOMMENDATION

Staff requests Town Council approval of Resolution No. 08-2020, which would allow for the execution and delivery of a loan agreement with CenterState Bank, N. A. for the Marina Project.

GENERAL INFORMATION

The Town issued an RFP on December 16, 2019, to financial institutions for a fixed rate, non-bank qualified term loan at the lowest overall cost. The Town received nine (9) proposals and CenterState provided the best rate and terms for the Town for a 20 year loan. The rate is a 20-year tax-exempt rate of 2.39% for the term of the loan. The proposal allows the ability to prepay the loan with a 1% premium during the first 4 years and at par thereafter.

Resolution No. 08-2020 authorizes a loan of \$31,000,000 with CenterState Bank, N.A. to be used by the Town to finance the cost of the Marina Project and to pay the costs of issuance of the Bond. The Resolution delegates authority to the Mayor or Town Manager to award the Bonds and execute the Loan Agreement. Additionally, the Resolution approves the issuance of the Bond and related plan of financing by the Town pursuant to Section 147(f) of the Code and applicable U.S. Treasury Regulations. In this regard, the Town Council should consider adoption of Resolution No. 08-2020 after holding the TEFRA hearing.

The Town's Financial Advisor, Mr. Jay Glover with PFM, will be in attendance to make a brief presentation regarding the financing. Also in attendance to answer any questions the Town Council may have will be, Richard Miller, bond counsel with Locke Lord, LLC.

TOWN ATTORNEY REVIEW

The Town's Bond Counsel, Locke Lord LLP, prepared the attached Resolution.

FUNDING/FISCAL IMPACT

The loan payments for the first year will be interest only and will be paid for with Marina Reserves. Thereafter, the Marina is expected to generate revenues in excess of the operating and debt service costs. Annual debt service costs will be approximately \$2,035,000.

Attachments

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cc: John C. Randolph, Town Attorney
Richard Miller, Locke Lord, LLP
Jay Glover, PFM
Carolyn Stone, Director of Business Development & Operations