



City of North Port

RESOLUTION NO. 2020-R-16

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF NORTH PORT, FLORIDA, ACCEPTING A PROPOSAL OF TRUIST BANK TO PROVIDE THE CITY WITH A LOAN IN ORDER TO REFUND A PORTION OF THE CITY'S OUTSTANDING TRANSPORTATION IMPROVEMENT ASSESSMENT BONDS, SERIES 2013 IN ORDER TO ACHIEVE DEBT SERVICE SAVINGS FOR THE CITY; APPROVING THE FORM OF A LOAN AGREEMENT; AUTHORIZING THE ISSUANCE OF A TAXABLE PROMISSORY NOTE PURSUANT TO SUCH LOAN AGREEMENT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$33,000,000 IN ORDER TO EVIDENCE SUCH LOAN; APPROVING THE FORM OF A FORWARD DELIVERY AND DIRECT PAYMENT AGREEMENT AND THE ISSUANCE OF A TAX-EXEMPT PROMISSORY NOTE; AUTHORIZING THE REPAYMENT OF SUCH NOTES FROM A COVENANT TO BUDGET AND APPROPRIATE LEGALLY AVAILABLE NON-AD VALOREM REVENUES; DELEGATING CERTAIN AUTHORITY TO THE CITY MANAGER AND OTHER OFFICERS OF THE CITY FOR THE AUTHORIZATION, EXECUTION, AND DELIVERY OF THE LOAN AGREEMENT, FORWARD DELIVERY AND DIRECT PURCHASE AGREEMENT, PROMISSORY NOTE, AND VARIOUS OTHER DOCUMENTS WITH RESPECT THERETO; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT AND THE APPOINTMENT OF AN ESCROW AGENT THERETO; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of North Port, Florida (the "City") previously issued its Transportation Improvement Assessment Bonds, Series 2013 (the "Series 2013 Bonds") to finance the acquisition and construction of various transportation related capital improvements within the City; and

WHEREAS, the City, with the assistance of its Financial Advisor, PFM Financial Advisors LLC, issued a Request for Proposals soliciting proposals from various financial institutions to provide a term loan to the City to refund the Refunded Bonds (as defined herein); and

WHEREAS, Truist Bank (the "Noteholder") submitted its proposal to provide the City with a term loan (the "Loan") to refund the Refunded Bonds, which proposal complied with the solicitation and was the most favorable proposal received by the City and is attached hereto as Exhibit A; and

WHEREAS, the Loan shall be evidenced by the City of North Port, Florida Taxable Capital Improvement Refunding Revenue Note, Series 2020 (the "Series 2020 Note") and shall be repaid solely from the Non-Ad Valorem Revenues (as defined herein) in the manner and to the extent set forth herein and in the

Loan Agreement (as defined herein) and the ad valorem taxing power of the City will never be necessary or authorized to pay said amounts; and

WHEREAS, due to the potential volatility of the market for municipal obligations such as the Series 2020 Note and the complexity of the transactions relating to such Series 2020 Note, it is in the best interest of the City to issue the Series 2020 Note by a negotiated sale to the Noteholder, allowing the City to sell and issue the Series 2020 Note at the most advantageous time, rather than at a specified advertised date, thereby permitting the City to obtain the best possible price, terms and interest rate for the Series 2020 Note.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF NORTH PORT, FLORIDA:

SECTION 1 - INCORPORATION OF RECITALS AND EXHIBITS

- 1.01 The above recitals are hereby ratified and confirmed as being true and correct and are incorporated herein by reference.
- 1.02 All referenced exhibits are attached and incorporated into this resolution.

SECTION 2 - AUTHORITY FOR THIS RESOLUTION

- 2.01 This resolution is adopted pursuant to the provisions of the Florida Constitution, Chapter 166, Florida Statutes, the Charter of the City, and other applicable provisions of law.

SECTION 3 - DEFINITIONS

- 3.01 When used in this resolution, capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement (as defined herein), unless the context clearly indicates a different meaning.

"Bond Counsel" shall mean, Nabors, Giblin & Nickerson, P.A., Tampa, Florida.

"City" shall mean the City of North Port, Florida, a municipal corporation duly organized and validly existing under the laws of the State of Florida.

"City Attorney" shall mean the City Attorney of the City and such other person as may be duly authorized to act on her or his behalf.

"City Manager" shall mean the City Manager of the City and such other person as may be duly authorized to act on his or her behalf.

"Clerk" shall mean the City Clerk of the City, or her or his duly authorized designee.

"Commission" shall mean the City Commission of the City of North Port, Florida.

"Financial Advisor" shall mean the City's financial advisor, PFM Financial Advisors LLC.

"Forward Purchase Agreement" shall mean the Forward Delivery and Direct Purchase Agreement to be executed between the Noteholder, or any affiliate of the Noteholder, and the

City, which shall be substantially in the form attached hereto as Exhibit C, as the same may be amended and supplemented from time to time.

"**Loan**" shall have the meaning ascribed thereto in the recitals.

"**Loan Agreement**" shall mean the Loan Agreement to be executed between the Noteholder and the City, which shall be substantially in the form attached hereto as Exhibit B, as the same may be amended and supplemented from time to time.

"**Non-Ad Valorem Revenues**" shall have the meaning assigned such term in the Loan Agreement.

"**Noteholder**" shall mean Truist Bank, and its successors and assigns.

"**Refunded Bonds**" shall mean that portion of the outstanding Series 2013 Bonds which are refunded in connection with the issuance of the Series 2020 Note, all as determined in accordance with the provisions of this resolution.

"**Series 2013 Bonds**" shall mean the City of North Port, Florida Transportation Improvement Assessment Bonds, Series 2013.

"**Series 2020 Note**" shall mean the City of North Port, Florida Taxable Capital Improvement Refunding Revenue Note, Series 2020, as such Series 2020 Note is more particularly described in the Loan Agreement.

"**Series 2023 Note**" shall mean the City of North Port, Florida Capital Improvement Refunding Revenue Note, Series 2023, as such Series 2023 Note is more particularly described in the Forward Purchase Agreement.

The words "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms shall refer to this resolution.

Words importing the singular number include the plural number, and vice versa.

SECTION 4 - RESOLUTION TO CONSTITUTE CONTRACT

- 4.01 In consideration of the purchase and acceptance of the Series 2020 Note by the Noteholder, the provisions of this resolution shall be a part of the contract of the City with the Noteholder, and shall be deemed to be and shall constitute a contract between the City and the Noteholder. The provisions, covenants and agreements in this resolution set forth to be performed by or on behalf of the City shall be for the benefit, protection and security of the Noteholder.

SECTION 5 - AUTHORIZATION OF REFUNDING OF THE REFUNDED BONDS

- 5.01 The refunding of the Refunded Bonds for debt service savings is hereby authorized. The City Manager shall determine, upon the advice of the Financial Advisor and Bond Counsel, which Series 2013 Bonds shall constitute Refunded Bonds.

SECTION 6 - ACCEPTANCE OF PROPOSAL

- 6.01 The City hereby accepts the proposal of the Noteholder to provide the City with the Loan to refund the Refunded Bonds for debt service savings, a copy of which proposal is attached hereto as Exhibit A. The City Manager is hereby authorized to execute and deliver any documents required to formally accept such proposal and the terms thereof. All actions taken by such officers or their designees, the Financial Advisor and Bond Counsel with respect to such proposal prior to the date hereof are hereby authorized and ratified. To the extent of any conflict between the provisions of this resolution or the Loan Agreement and the proposal, the provisions of this resolution and the Loan Agreement shall prevail.

SECTION 7 - APPROVAL OF FORM OF LOAN AGREEMENT AND SERIES 2020 NOTE

- 7.01 The City hereby approves the Loan from the Noteholder in the principal amount of not exceeding \$33,000,000. The City Manager is authorized to determine the specific principal amount of the Loan upon the advice of the Financial Advisor and Bond Counsel. The terms and provisions of the Loan Agreement in substantially the form attached hereto as Exhibit B are hereby approved, with such changes, insertions and additions as the City Manager may approve.
- 7.02 The City hereby authorizes the City Manager to execute and deliver, and the Clerk to attest, the Loan Agreement substantially in the form attached hereto as Exhibit B, with such changes, insertions, and additions as the City Manager may approve, his execution thereof being conclusive evidence of such approval.
- 7.03 In order to evidence Loan under the Loan Agreement, it is necessary to provide for the execution of the Series 2020 Note. The City Manager is authorized to execute and deliver, and the Clerk to attest and affix the City seal to, the Series 2020 Note substantially in the form attached to the Loan Agreement as Exhibit A with such changes, insertions, and additions as the City Manager may approve, his execution thereof being conclusive evidence of such approval.

SECTION 8 - APPROVAL OF FORM OF FORWARD PURCHASE AGREEMENT; APPROVAL OF SERIES 2023 NOTE AND SUBSEQUENT TRANSACTIONS

- 8.01 The terms and provisions of the Forward Purchase Agreement in substantially the form attached hereto as Exhibit C are hereby approved, with such changes, insertions and additions as the City Manager may approve. The City hereby authorizes the City Manager to execute and deliver, and the Clerk to attest, the Forward Purchase Agreement substantially in the form attached hereto as Exhibit C, with such changes, insertions and additions as the City Manager may approve, his execution thereof being conclusive evidence of such approval.
- 8.02 The City Manager is authorized, upon the advice of the Financial Advisor and Bond Counsel, to cause the issuance of the Series 2023 Note in an aggregate principal amount equal to the then outstanding principal amount of the Series 2020 Note to refund, on a current basis, the Series 2020 Note, to the extent and in the manner provided in the Forward Purchase Agreement. The City Manager is authorized to execute and deliver, and the Clerk to attest, the Series 2023 Note substantially in the form attached to the Forward Purchase Agreement as Exhibit C with such changes, insertions and additions as the City Manager may approve, his execution thereof being conclusive evidence of such approval.

- 8.03 The City hereby authorizes the City Manager to execute and deliver, and the Clerk to attest, a subsequent loan agreement in connection with the issuance of the Series 2023 Note and the transactions contemplated by the Forward Purchase Agreement which will be substantially in the form attached hereto as Exhibit B with such changes as the City Attorney and Bond Counsel may deem advisable and appropriate. In the alternative, the City hereby authorizes the City Manager to execute and deliver, and the Clerk to attest, amendments to the Loan Agreement in order to accommodate the issuance of the Series 2023 Note and the transactions contemplated by the Forward Purchase Agreement, which amendments will be as the City Attorney and Bond Counsel may deem advisable and appropriate.

SECTION 9 - LIMITED OBLIGATIONS

- 9.01 The obligation of the City to repay the Series 2020 Note and the Series 2023 Note, if issued, is a limited and special obligation payable from Non-Ad Valorem Revenues solely in the manner and to the extent set forth in the applicable loan agreement and shall not be deemed a pledge of the faith and credit or taxing power of the City and such obligation shall not create a lien on any property whatsoever of or in the City. The Non-Ad Valorem Revenues shall consist of legally available non-ad valorem revenues budgeted and appropriated by the Commission to pay debt service on the Series 2020 Note and the Series 2023 Note, if issued, all in the manner and to the extent described in the applicable loan agreement.

SECTION 10 - APPROVAL OF ESCROW AGENT AND ESCROW DEPOSIT AGREEMENT

- 10.01 The City hereby authorizes the City Manager to execute and the Clerk to attest an Escrow Deposit Agreement and to deliver an Escrow Deposit Agreement to U.S. Bank National Association, Orlando, Florida, which is hereby appointed as Escrow Agent thereunder. All of the provisions of the Escrow Deposit Agreement when executed and delivered by the City as authorized herein and when duly authorized, executed and delivered by the Escrow Agent, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein, and the Escrow Deposit Agreement shall be in substantially the form attached hereto as Exhibit D, with such changes, amendments, modifications, omissions and additions, as may be approved by the City Manager. Execution by the City Manager of the Escrow Deposit Agreement shall be deemed to be conclusive evidence of the approval of such changes. The Escrow Agent, the Financial Advisor, and Bond Counsel are authorized to take such action as is necessary to procure escrow securities to accomplish the refunding of the Refunded Bonds.
- 10.02 The City hereby authorizes PFM Asset Management LLC, an affiliate of the Financial Advisor, to serve as an investment advisor to the City with respect to the structuring of the escrow under the Escrow Deposit Agreement.

SECTION 11 - GENERAL AUTHORIZATION

- 11.01 The City Manager, the Clerk and the other officers of the City are authorized to execute and deliver such documents, instruments, and contracts, whether or not expressly contemplated hereby; and the City Attorney and other employees or agents of the City are hereby authorized and directed to do all acts and things required hereby or thereby as may be necessary for the full, punctual, and complete performance of all the terms, covenants, provisions, and agreements herein and therein contained, or as otherwise may be necessary or desirable to effectuate the purpose and intent of this resolution. The Financial Advisor and Bond Counsel are authorized to take all action necessary and desirable to affect the issuance of the Series

2020 Note, the issuance of the Series 2023 Note the execution and delivery of the Loan Agreement, any other loan agreement, the Forward Purchase Agreement, and the Escrow Deposit Agreement and the refunding of the Refunded Bonds.

SECTION 12 - CONFLICTS

12.01 In the event of any conflict between the provisions of this resolution and any other resolution or provisions thereof, the provisions of this resolution shall prevail to the extent of such conflict.

SECTION 13 - SEVERABILITY

13.01 If any section, subsection, sentence, clause, phrase, or provision of this resolution is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such provision shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions hereof.

SECTION 14 - EFFECTIVE DATE

14.01 This resolution shall take effect immediately upon adoption by the City Commission of the City of North Port, Florida.

PASSED and DULY ADOPTED by the City Commission of the City of North Port, Florida, in public session this 28th day of April 2020.

CITY OF NORTH PORT, FLORIDA

DEBBIE MCDOWELL
MAYOR

ATTEST

HEATHER TAYLOR, CMC
CITY CLERK

APPROVED AS TO FORM AND CORRECTNESS

AMBER L. SLAYTON
CITY ATTORNEY

EXHIBIT A

Truist Bank Proposal

EXHIBIT B

Form of Loan Agreement

EXHIBIT C

Form of Forward Purchase Agreement

EXHIBIT D

Form of Escrow Deposit Agreement