



ADDENDUM 1

October 12, 2021

RFP 69-21

INFRASTRUCTURE SALES SURTAX REVENUE NOTE

This addendum is to provide the answers to questions submitted by the vendors.

Questions and Responses:

1. Is there a bond indenture in place? If so, can we see a copy? If not, is there a final version of the ordinance? The one attached to the RFP seems to be a redline version. **No indenture is in place since there are not any outstanding parity bonds, Bond Counsel will prepare the new resolution and loan agreement upon the selection of the selected proposers' term sheet. See attached updated final of Ordinance No 2018-09 authorizing the referendum question.**
2. Appendix C – Historical Revenues – The annual sales taxes listed – is that specific to the infrastructure sales surtax or is that an aggregate of all sales surtaxes? **Infrastructure only.**
3. Is the Infrastructure Sales Surtax currently pledged to any other debt other than the proposed debt? **No**
4. If not, does the County anticipate issuing any additional debt? **No, but they reserve the right to issue additional debt assuming they meet the 1.35X Additional Bonds Test.**
5. If so, would the County prefer the debt to be subordinate to the currently proposed debt, or would they like an additional bonds test to permit additional parity debt? **No, any future debt will be on parity with this loan subject to meeting the 1.35X ABT.**
6. Does not appear to be any other debt secured by the infrastructure sales tax, can you confirm. **Correct, no other debts.**
7. Have you considered where you want to be regarding an anti-dilution test and DS coverage test? **We expect the Additional Bonds Test to be 1.35X**
8. Are there any current LTD outstanding on these revenues? **No, this will be the first financing secured by this revenue stream.**

9. Is there an ADT or covenant on this revenue stream/debt? **It is expected that the financing will have an additional bonds test of 1.35X.**
10. Is there Flow of Funds available for Infrastructure Sales Surtax? **The County will deposit monthly the Infrastructure Sales Tax funds into the Revenue fund**
11. Is the 2020 CAFR available at this time? **The FY 2020 CAFR is located on the County's website link: <https://okaloosaclerk.com/wp-content/uploads/Okaloosa-County-CAFR-As-Issued-1.pdf>**
12. What are projections for the Surtax over the next 7 years? **We do not projections for the next seven years, but the revenue has exceeded our expectations. In FY 2021, estimated revenue was \$13.6 million. Actual revenue will be approximately \$20.0 million.**
13. Are there other existing debts supported by this same revenue stream? **No**
14. Are there plans to issue additional debt that will be supported by this same revenue stream? **No, but the County reserves the right to issue additional debt assuming a 1.35x ABT**
15. What is available to the County as a secondary source of repayment under a theoretical scenario that the surtax doesn't cover debt service? **The loan will be solely secured by the Infrastructure Sales Tax Revenues, no secondary source will be available.**
16. Theoretical impact of future hurricane event on this surtax revenue stream and how County might respond to continue to service debt? **The County has significant DS coverage and even with a downturn due to hurricane it is not expected to significantly impact these revenues.**
17. Does the County have sole discretion of how they use this surtax? If not sole, what portion of surtax can be used at County discretion? **The funds from this revenue source are restricted to capital projects. The County set up an Infrastructure Sales Tax Committee who identified the types of projects these funds are to be used for and makes a recommendation to the County Commission who ultimately approves the projects. . The Project that is being funded by the Series 2021 Loan consisting of a new Public Safety Radio System and was included as one of the Projects to be funded from the Infrastructure Sales Surtax receipts and has been approved by both the County and the Committee.**
18. Are there any interlocal agreements for the distribution of the surtax? How are they distributed? (Mentioned in Ordinance section, page 13 of PDF, section 3) **The historical revenues provided in the RFP represent the County portion of the surtax.**

Per Ordinance, it appears County can increase surtax up to 1% of each dollar. Is this at County sole discretion? Any type of vote needed? **No voters approved only a .5% levy for 10 years starting January 1, 2019. Any increase in the levy would require voter approval.**
19. Relating to Ordinance 2017-24, what was the historical collection of this 2017 surtax? What was the corresponding project? At what point did the County begin collecting on this one? Are these funds rolling into the collection amounts included in this RFP? **The RFP has the historical revenue Collections. The Tax was effective January 1,**

2017. The County approved the Original Ordinance 2017-24 to levy infrastructure sales surtax for only 5 years, however prior to going to the voter for approval any the levy of any surtax the County amended the Ordinance with Ordinance 2018-09 which increased the length the levy from 5 years to 10 years. On November 6, 2018 the voters approved the levy of 0.5% for 10 years starting January 1, 2019 through December 31, 2029. The historical revenues collections are included in the RFP reflect all infrastructure sales surtax receipts by the County

20. Please confirm the number of months of Infrastructure Sales Surtax revenues that are shown for fiscal 2021 as shown on page 18 of the RFP (is it 10 months or 11 months)? **10 months**

The proposal due date remains October 22, 2021 at 2:00 P.M. CST.

ORDINANCE NO. 2018- 09

AN ORDINANCE AMENDING ORDINANCE NO. 2017-24 IMPOSING A COUNTYWIDE LOCAL GOVERNMENT INFRASTRUCTURE SURTAX OF ONE-HALF PERCENT (0.5%) ON ALL AUTHORIZED TAXABLE TRANSACTIONS OCCURRING WITHIN OKALOOSA COUNTY, AS AUTHORIZED BY SECTION 212.055(2), FLORIDA STATUTES; AMENDING THE TERM OF THE SURTAX TO REFLECT THAT IF APPROVED, WILL BE EFFECTIVE BEGINNING JANUARY 1, 2019, FOR A PERIOD OF TEN YEARS; PROVIDING THAT IMPOSITION OF THE SURTAX SHALL BE CONTINGENT ON APPROVAL AT A COUNTYWIDE REFERENDUM; PROVIDING FOR DISTRIBUTION OF SURTAX REVENUES AMONG THE COUNTY AND THE SEVERAL MUNICIPALITIES IN THE COUNTY; AMENDING THE BALLOT LANGUAGE AND DIRECTING THE SUPERVISOR OF ELECTIONS TO HOLD A COUNTYWIDE REFERENDUM ELECTION; PROVIDING AN EFFECTIVE DATE.

WHEREAS, section 212.055(2), Florida Statutes (2015), authorizes the Okaloosa County Board of County Commissioners (“Board”) to impose a one-half percent (0.5%) or one percent (1%) local government infrastructure surtax upon transactions occurring within Okaloosa County (“County”) which are taxable under Chapter 212, Florida Statutes (2017); and

WHEREAS, a one-half percent (0.5%) surtax would, under current State sales tax rates, result in a one-half cent (0.5¢) surtax on each one dollar (\$1.00) sale as specifically provided by law; and

WHEREAS, moneys received from the local government infrastructure surtax authorized by section 212.055(2), Florida Statutes (2017), may be utilized by the County and municipalities of the County to finance, plan, construct, reconstruct, renovate and improve needed infrastructure; and

WHEREAS, the funds derived from the imposition of the local government infrastructure surtax shall be distributed to the County and the municipalities of the County as provided in interlocal agreements, or in the alternative, pursuant to the formula provided in section 218.62, Florida Statutes (2017); and

WHEREAS, adequate public infrastructure facilities of the types herein described promote the safe, efficient, and uninterrupted provision of numerous essential public services provided by the County and the several municipalities within the County, including but not limited to safe and efficient transportation infrastructure, the management of stormwater, the provision of law enforcement, public safety and correctional services; and

WHEREAS, the Board previously adopted Ordinance No. 2017-24 which sought to impose an infrastructure surtax of one-half percent (0.5%) on all authorized taxable transactions for a period of five years, however the infrastructure needs of the County are so great that the surtax should be amended to impose it for a period of ten (10) years;

WHEREAS, the seeks to amend the ballot language to more clearly set forth the projects that will be funded by the proceeds of the infrastructure surtax.

NOW THEREFORE, BE IT ORDAINED by the Board of County Commissioners of Okaloosa County, Florida, as follows:

SECTION 1. INCORPORATION OF RECITALS. The above recitals are true and correct and are hereby incorporated by reference.

SECTION 2. IMPOSITION OF LOCAL GOVERNMENT INFRASTRUCTURE SURTAX. There is hereby imposed a 0.5 percent (0.5%) local government infrastructure surtax upon all authorized taxable transactions occurring within the County for a period of ~~five~~ ten (10) ~~(5)~~ years beginning on January 1, 2019 and ending on December 31, ~~2023~~ 2028.

SECTION 3. DISTRIBUTION OF SURTAX REVENUES. In accordance with section 212.055(2), Florida Statutes (2017), the County shall, after receiving the sales surtax proceeds from the State, redistribute the sales surtax revenues among itself and the municipalities of the County pursuant to interlocal agreements as authorized by law. In the absence of such interlocal agreements, the sales tax proceeds shall be distributed as set forth in section 218.62, Florida Statutes (2017).

SECTION 4. REFERENDUM ELECTION.

(a) The surtax imposed in Section 2 hereof shall not take effect unless and until approved by a majority of the electors of the County voting in a countywide referendum on the surtax, conducted pursuant to Florida Law.

(b) Pursuant to section 212.055(2) (a), Florida Statutes, a countywide referendum election shall be held in Okaloosa County, and the supervisor of elections is hereby directed and shall cause to be placed on the ballot for the November 6, 2018 general election, the question of the approval or disapproval of the surtax set forth in this article.

(c) The Okaloosa County Supervisor of Elections shall cause the following proposition to be placed on the November 6th, 2018 general election ballot:

REFERENDUM TO IMPOSE A ONE-HALF CENT SURTAX TO FUND ESSENTIAL IMPROVEMENTS AND INFRASTRUCTURE

Shall the County be authorized to levy a ten year, one-half cent per dollar sales surtax on taxable transactions occurring within Okaloosa County effective January 1, 2019 for funding of critical needs including essential law enforcement/public safety facilities and vital equipment; reduce traffic congestion; construction and repairing of roads and bridges; flood control and water quality improvements and construct other public facility improvements and pay debt, subject to oversight by a citizens' committee?

_____ FOR THE ONE-HALF CENT SALES TAX

_____ AGAINST THE ONE-HALF CENT SALES TAX

SECTION 5. ADVERTISEMENT.

The Okaloosa County Clerk of Court shall insure that notice of this referendum shall be advertised in accordance with the provisions of section 100.342, Florida Statutes (2017). Proof of publication shall be provided to the Chair of the Board.

SECTION 6. EXPIRATION DATE; SURVIVAL OF CERTAIN RESTRICTED USES.

(a) *Sunset.* In all events, this Ordinance shall be in effect only through December 31, ~~2023~~ 2028. It shall "sunset" and expire thereafter, without further action by the Board, at which time it shall be deemed repealed and of no further force and effect, and the sales surtax levied hereunder shall terminate.

(b) *Survival of restrictions on use of sales surtax proceeds.* Notwithstanding the provisions of subsection (a) for the expiration and repeal of this Ordinance, so long as any sales surtax proceeds shall remain unspent, the restrictions hereby imposed concerning the distribution and use of sales surtax proceeds as well as the proceeds of any borrowings payable from sales surtax proceeds, and all interest and other investment earnings on either of them shall survive such expiration and repeal and shall be fully enforceable in a court of competent jurisdiction.

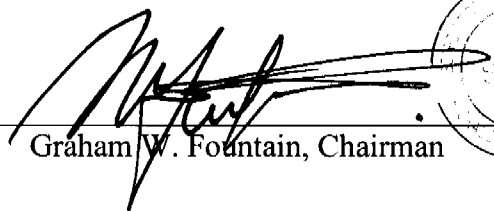
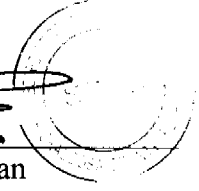
SECTION 7. CODIFICATION. It is the intention of the Board that the provisions of this Ordinance, including its preamble, shall become and be made a part of the County Code of Ordinances, and the word “ordinance” may be changed to “section,” “article,” or other appropriate word or phrase and the sections of this Ordinance may be renumbered or relettered to accomplish such intention; provided, however, that Sections 5, 6 and 7 shall not be codified.

SECTION 8. SEVERABILITY. Should any section or provision of this Ordinance or any portion thereof, or any paragraph, sentence, or word be declared by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of the remainder hereof other than the part declared to be invalid.

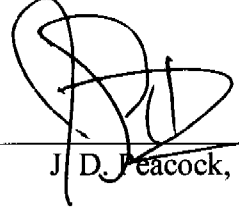
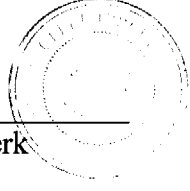
SECTION 9. EFFECTIVE DATE. A certified copy of this Ordinance shall be effective 10 days after its enactment by the Board and filing with the Department of State.

PASSED AND DULY ENACTED by the Board of County Commissioners of Okaloosa County, Florida in regular session, this 5th day June 2018.

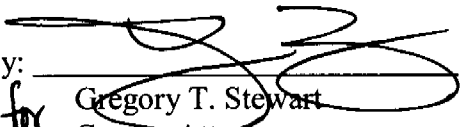
OKALOOSA COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS

By:  
Graham W. Fountain, Chairman

ATTEST:

By:  
J. D. Peacock, II, Clerk

APPROVED AS TO FORM:

By: 
for Gregory T. Stewart
County Attorney



FLORIDA DEPARTMENT *of* STATE

RICK SCOTT
Governor

KEN DETZNER
Secretary of State

June 5, 2018

Honorable J. D. Peacock II
Clerk of the Circuit Court
Okaloosa County
101 East James Lee Boulevard
Crestview, Florida 32563-1359

Attention: Ms. Mary L. Carson

Dear Mr. Peacock:

Pursuant to the provisions of Section 125.66, Florida Statutes, this will acknowledge receipt of your electronic copy of Okaloosa County Ordinance No. 2018-09, which was filed in this office on June 5, 2018.

Sincerely,

Ernest L. Reddick
Program Administrator

ELR/lb