



**OKALOOSA COUNTY, FLORIDA**

REQUEST FOR PROPOSAL (RFP) #BCC 68-20

FOR TAXABLE BANK LOAN FINANCING

CAPITAL IMPROVEMENT REVENUE NOTE, SERIES 2020

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RFP Issue Date: July 27, 2020

Deadline to Submit Written Questions: August 3, 2020

Proposal Due Date: August 20, 2020 @ 2:00 pm Central Time

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Comprehensive Audited Financial Reports and Adopted Annual Budget

<http://www.co.okaloosa.fl.us/bcc/budget>

## A. PURPOSE

Okaloosa County, Florida (the “County”) is requesting proposals from qualified financial institutions to provide a taxable fixed rate bank loan (the “Loan” or the “Note”) for a principal amount not-to-exceed \$2,665,000. The proceeds of the Loan will be used to finance the acquisition of land in the vicinity of the Shoal River Ranch in northern Okaloosa County. The County is considering two options: Option 1 – immediate amortization and Option 2 – interest only for the first 2 years.

The County shall accept and review proposals from qualified financing institutions based upon the proposed financing structure below. The County will select the financing that provides the lowest overall borrowing cost to the County and meets the financing requirements of the County. Hilltop Securities Inc. (“Hilltop Securities”), Orlando, Florida, is serving as the County’s Financial Advisor.

## B. STRUCTURE OF FINANCING

Amount:	Not-to-Exceed \$2,665,000
Settlement Date:	Expected on or about September 17, 2020
Rate:	Taxable fixed rate for entire term of the loan.
Prepayment:	The County requests the ability to prepay the loan in whole or in part without penalty. Other prepayment provisions will be considered.
Final Maturity:	15-year Taxable – December 1, 2035
Principal Payment Dates:	Annually: <b>Option 1</b> – Commencing December 1, 2021 <b>Option 2</b> – Commencing December 1, 2023 (Interest only the first 2 years)
Interest Payment Dates:	Semi-Annually on, June 1 and December 1 Commencing June 1, 2021
Interest Compounding	None
Interest Day Count Method	30/360
Preliminary Amortization Schedules:	See Appendix A

### **C. PROJECT**

In the past few years the Okaloosa County Economic Development Council identified an area of land in northern Okaloosa County, known as “Shoal River Ranch” as a tract of land which provides an opportunity to attract large scale state economic development interest. The County has now determined that it is in the best interest of the community to purchase portions of Shoal River Ranch for future economic development. The potential area to be purchased consists of approximately 623 acres of industrial and agricultural zoned property. The property is located in Crestview, Florida, adjacent to Interstate 10 and U.S. Highway 90 with a connection to the CSX Railroad. The County is currently under an Option to Purchase Agreement with the owner of the Property.

### **D. SECURITY FOR THE LOAN**

The Series 2020 Note will be secured by a covenant to budget and appropriate from legally available Non-Ad Valorem Revenues of the County in amounts sufficient to repay the principal and interest of the loan. Such covenant to budget and appropriate shall not prohibit the County from pledging such Non-Ad Valorem Revenues, or any portion thereof, to secure other debt issued in the future. The loan shall not be considered a general obligation of the County. Neither the full faith or credit nor taxing power of the County, State of Florida or any political subdivision thereof will be pledged to the payment of the loan.

### **E. TAXABLE OBLIGATION**

The Loan will be a taxable obligation.

### **F. ACCELERATION**

The County will not accept proposals that require acceleration as a remedy for a default.

### **G. DOCUMENTATION**

Nabors, Giblin & Nickerson, P.A. (“Bond Counsel”) will prepare the authorizing resolution and all documents to close the Loan. The selected bank will be furnished, without charge to the bank, the opinion of the County’s Bond Counsel, approving the legality of the Loan, together with the closing certificates and documents related to the transaction.

At the closing of the Loan, the financial institution 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 to a Permitted Lender, with the County’s consent. “Permitted Lender” means any qualified financial institution, trust company, savings institution or insurance company that is engaged as a regular part of its business in making loans authorized to do business in the State of Florida;
- f. the 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;
- g. 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;
- h. 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 County 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 County and its operations. It does not require any further information or data concerning the County.
- i. in purchasing the Note, it has relied solely upon its own investigation, examination, and evaluation of the County and other relevant matters, and has not relied upon any statement or materials which have not been supported by its own investigation and examination.
- j. it has knowledge and experience in financial and business matters, particularly in taxable 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.
- k. 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 County 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.
- l. there will be no CUSIPs obtained on the Loan; and
- m. 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 – SELECTION CRITERIA**

Proposals will be evaluated on the basis of cost and the structure that best meets the financing requirements of the County.

In order to assist the County and Hilltop Securities in reviewing the responses, each proposal should include the following information.

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

- (2) A taxable fixed interest rates for the full term of the Loan. The bidder shall give a stated time in which the proposed rate will be held, 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 County will be responsible to pay to the Bank, including its legal counsel. The County has retained the law firm of Nabors, Giblin & Nickerson, P.A. to prepare the Loan documents. The amounts stated in the proposal shall represent the maximum amounts payable to the Bank by the County. All fees and expenses, with the exception of those of Bond Counsel and Hilltop Securities, in excess of those stated in the proposal, shall be the sole responsibility of the Bank, and will not be paid or reimbursed by the County.
- (4) A listing of all conditions, covenants, terms or restrictions, other than those specified in this RFP, which would be included in your commitment to provide the Loan.

## **I. MISCELLANEOUS**

- (1) The County 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 County 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 County has the right to reject any proposal not meeting the requirements of this RFP. Moreover, if the County rejects all proposals, the County reserves the right to negotiate with any of the proposers or any other entity to secure the intended financing. The County 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. If a bank financing proposal is selected, the award will be to the bank whose response best complies with the requirements set forth in this RFP and whose bid, in the opinion of the County and Financial Advisor, is in best interest of the County, taking into consideration all aspects of the proposers' response. The County is not obligated to accept the lowest proposal. The award is subject to approval by the County Board of Commissioners and contingent upon execution of a note, loan agreement and other closing documents acceptable to the County. The County reserves the right, for any reason, to rescind any award prior to the execution of a note or loan without liability to the County.
- (3) Changes to this RFP may be made by and at the sole discretion of the County. Any Addenda to the RFP will be posted to the County's website and on Demand Star. It is the bidder's responsibility to check for any addenda. During the proposal evaluation process, the County reserves the right to request additional information or clarifications from the proposers, or to allow, in the County's sole discretion, corrections of errors or omissions in a proposal.
- (4) The County 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 Request for Proposals, Proposers waive and release any and all right to make claims for reimbursement of proposal preparation costs against the County 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 Proposal has provided a link to the County's Website (<http://www.co.okaloosa.fl.us/>) which has information regarding the County and its financial statements. 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:**

**Okaloosa County**

Jeffrey Hyde  
Purchasing Manager  
[jhyde@myokaloosa.com](mailto:jhyde@myokaloosa.com)

-AND-

**Hilltop Securities**

Mark Galvin  
Regional Managing Director  
[mark.galvin@hilltopsecurities.com](mailto:mark.galvin@hilltopsecurities.com)

- (6) Federal, State, County and local laws, ordinances, rules and regulations that in any manner affect the items covered herein apply. Lack of knowledge by the Bank will in no way be a cause for relief from responsibility.
- (7) No successful offeror may assign any portion of the contractual agreement between the parties without prior written authorization by the County.
- (8) Warranties – The offeror, in submission of its proposal, warrants to the County that it will comply with all applicable federal, state and local laws, regulations and orders in providing the services under the proposed documents.
- (9) Public Records Law. In accordance with Chapter 119, Florida Statutes, the Public Records Act, all Proposers should be aware that this Request for Proposals, and 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 Request for Proposals are temporarily exempt from public disclosure until such time as the County provides notice of an intended decision, or until thirty (30) days after opening the Proposals, whichever occurs earlier. The Proposal submitted by you 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 County 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 County determines that the cited provisions of law are inapplicable or otherwise do not justify exemption or confidentiality, the County 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 County and its officers, officers, employees, attorneys and agents harmless concerning the disclosure of information contained within the Proposal.
- (10) 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. TENTATIVE SCHEDULE\***

The preliminary financing timetable is as follows:

July 27, 2020	Issue Request for Proposal (RFP)
August 3, 2020	Deadline to submit written questions (2:00 P.M. Central Time)
August 5, 2020	Addendum provided with responses to written questions (if applicable)
August 20, 2020	Responses to RFP Due prior to 2:00 P.M. Central Time
September 1, 2020	County Commission Selection of Bank
September 15, 2020	County Commission approval of Resolution and execution of Series 2020 loan documents
September 17, 2020	Closing of the Loan

\*Subject to change.

**K. RFP INSTRUCTIONS**

All bids must be submitted **via e-mail** (in PDF format) to the County and Hilltop Securities to the e-mail addresses below for receipt no later than **2:00 PM on August 20, 2020** Central Standard Time.

**Okaloosa County**

Jeffrey Hyde  
Purchasing Manager  
[jhyde@myokaloosa.com](mailto:jhyde@myokaloosa.com)

-AND-

**Hilltop Securities**

Mark Galvin  
Regional Managing Director  
[mark.galvin@hilltopsecurities.com](mailto:mark.galvin@hilltopsecurities.com)

The County or Hilltop Securities shall not bear the responsibility for proposals emailed past the stated date and/or time indicated, or to an incorrect email address by proposer's personnel.



**APPENDIX A  
PRELIMINARY AMORTIZATION SCHEDULE**

**Capital Improvement Revenue Note, Series 2020**

<u>OPTION 1</u>		<u>OPTION 2</u>	
<u>Period</u>		<u>Period</u>	
<u>Ending</u>	<u>Principal</u>	<u>Ending</u>	<u>Principal</u>
12/1/2021	\$ 121,000	12/1/2021	\$ -
12/1/2022	144,000	12/1/2022	-
12/1/2023	149,000	12/1/2023	165,000
12/1/2024	154,000	12/1/2024	171,000
12/1/2025	160,000	12/1/2025	177,000
12/1/2026	165,000	12/1/2026	183,000
12/1/2027	171,000	12/1/2027	190,000
12/1/2028	177,000	12/1/2028	197,000
12/1/2029	183,000	12/1/2029	203,000
12/1/2030	190,000	12/1/2030	211,000
12/1/2031	196,000	12/1/2031	218,000
12/1/2032	203,000	12/1/2032	225,000
12/1/2033	210,000	12/1/2033	233,000
12/1/2034	217,000	12/1/2034	242,000
12/1/2035	225,000	12/1/2035	250,000
	<b>\$ 2,665,000</b>		<b>\$ 2,665,000</b>

\*Preliminary/Subject to Change