

Agenda Item #: **5B-2**

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: July 19, 2011 [] Consent [X] Regular [] Public Hearing

Department: Office of Financial Management & Budget

I. EXECUTIVE BRIEF:

Motion and Title: Staff recommends motion to adopt a Resolution (I) authorizing the issuance of Public Improvement Revenue Bonds, Series 2011 (Convention Center Project) in the principle amount of not to exceed \$76 Million for the purpose of financing the costs of current refunding a portion of the County's Public Improvement Revenue Refunding Bonds, Series 2004 (Convention Center Project); funding a reserve in connection therewith, if deemed necessary, and paying certain costs of issuance related thereto; providing certain of the terms and payment of such bonds; providing for the rights, security and remedies of the holders thereof, making certain covenants and agreements in connection therewith; (II) authorizing the use of a preliminary official statement, official notice of sale and summary notice of sale in connection with the public sale of such bonds; (III) authorizing the Chair or County Administrator to accept the best bid for the purchase of the bonds; (IV) authorizing the debt manager to "deem final" for the purposes of the Security and Exchange Commission rule 15c2-12 the preliminary official statement prepared in connection with the bonds; (V) approving the form of and authorizing the execution of the official statement and escrow agreement; (VI) appointing a registrar and paying agent in connection with the bonds; (VII) appointing an escrow agent under the escrow deposit agreement; (VIII) authorizing the proper officers of the County to do all acts necessary and proper for carrying out the transactions contemplated by the resolution; and providing for an effective date.

Summary: On February 17, 2004, the Board approved a Resolution (R-2004-0270) supplementing and amending Resolution No. R-2004-0138 adopted on January 13, 2004, authorizing the negotiated sale of Public Improvement Revenue Refunding Bonds, Series 2004 (Convention Center Project). Under the terms of the Series 2004 Refunding Bonds, the Term Bonds (those Bonds maturing on November 1, 2030) are subject to mandatory redemption at the option of the County on November 1, 2011. The County can select either a variable or fixed interest rate on the Conversion Date. On June 22, 2011, the County Finance Committee (CFC) met to discuss the financing alternatives and recommended that, due to the current period of low interest rates, the County issue fixed rate revenue bonds through a competitive sale. Staff will proceed with discussions with the rating agencies to obtain a rating for the Bonds and expects to go to market in mid-August. The Bonds are secured by a covenant to budget and appropriate legally available non-ad valorem revenues with the source of payment being the 4th Cent Bed Tax. **Countywide (PFK)**

Background and Justification: In a competitive sale, the County will post electronically its preliminary official statement and official notices of sale. Such notice will set the date and time the bids by the underwriters will be due, which under Florida law, must be at least 10 days from the notice. The County will reserve the right to change the bid due date or cancel the sale, if market conditions should deteriorate. The County expects to close the Bonds by September 1, 2011.

Attachments:

1. Bond Resolution (On file in OFMB)

Recommended by: _____

Department Director

7/13/11
Date

Approved By: _____

County Administration

7/14/11
Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
Debt Service Payments	_____	<u>1,856,604</u>	<u>3,446,500</u>	<u>3,907,900</u>	<u>3,904,500</u>
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
 NET FISCAL IMPACT	_____	<u>1,856,604</u>	<u>3,446,500</u>	<u>3,907,900</u>	<u>3,904,500</u>
 No. ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included In Current Budget? Yes _____ No _____
 Budget Account No.: Fund _____ Department _____ Unit _____
 Object _____ Reporting Category _____

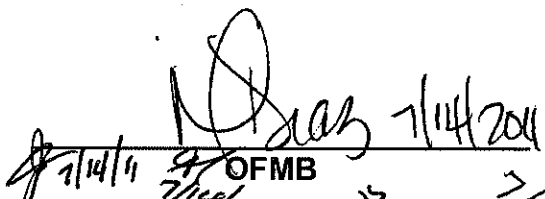
B. Recommended Sources of Funds/Summary of Fiscal Impact:

(1) The Resolution authorizes the sale of the Bonds. The bonds will be sold in mid-August and closed at the end of the month. We have estimated the annual debt service payments based on current interest rates. The debt service payments are secured by a pledge of non-ad valorem revenues. Annual debt service payments are made from bed taxes, primarily the 4th cent bed tax.

C. Departmental Fiscal Review:

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

 7/14/11
 OFMB
 WS 7/14/11
 7/14/11
 N/A
 Contract Dev. and Control

B. Legal Sufficiency:

 7/13/11
 Assistant County Attorney

C. Other Department Review:

 Department Director

REVISED 9/03
 ADM FORM 01

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.)