

**Lee County Board Of County Commissioners  
Agenda Item Summary**

Blue Sheet No. 20050930

**1. ACTION REQUESTED/PURPOSE:**

Authorize Chairman to sign a resolution that will allow for the execution of loan documents with SunTrust Bank for long term financing up to \$500,000 of the NE Hurricane Bay MSBU project and authorize Budget Amendment Resolutions and Transfer to reflect this transaction.

**2. WHAT ACTION ACCOMPLISHES:**

Allow the implementation of Long Term Debt Financing for the NE Hurricane MSBU project without pledging the Non-Ad Valorem Debt Capacity of the County.

**3. MANAGEMENT RECOMMENDATION:** Approve

**4. Departmental Category:**

*CIB*

**5. Meeting Date:** *08-02-2005*

**6. Agenda:**

- Consent**
- Administrative**
- Appeals**
- Public**
- Walk-On**

**7. Requirement/Purpose: (specify)**

- Statute**
- Ordinance**
- Admin. Code**
- Other**

**8. Request Initiated:**

**Commissioner**  
**Department** County Administration  
**Division** Budget Services  
**By:** Antonio Majul, Budget Director

**9. Background:**

On September 30, 2003, the Board of County Commissioners approved the selection of SunTrust Bank for a Term Loan-Assessment Program of \$5,000,000 for a three-year period that is used to provide permanent financing for MSBU Projects. This resolution will allow for a loan of up to \$500,000 for the NE Hurricane Bay MSBU Project. This project includes channel dredging approximately 8,300 cubic yards of material in Hurricane Bay which lies between the Fort Myers mainland and San Carlos Island south of the Matanzas Bridge. Payments during the 30 day period in which assessments can be paid in full without financing costs are expected to reduce the actual loan amount. The loan will be for a 15-year period at 133% of the Treasury Note but based upon the 10-year yield with a rate adjustment using the then 5-year Treasury Note at the end of the first ten years.

It is expected that the loan will be closed during the week ending August 5, 2005. Proceeds from this loan will be used to repay a commercial paper loan due on December 6, 2005 and to repay county expenditures under the terms of a reimbursement resolution that was originally used for construction of the NE Hurricane Bay MSBU project.

**10. Review for Scheduling:**

Department Director	Purchasing or Contracts	Human Resources	Other	County Attorney	Budget Services				County Manager/P.W. Director
					Analyst	Risk	Grants	Mgr.	
<i>[Signature]</i>					<i>92</i>		<i>7/18/05</i>	<i>7/21/05</i>	<i>7-21-05</i>

**11. Commission Action:**

- Approved**
- Deferred**
- Denied**
- Other**

RECEIVED BY  
 COUNTY ADMIN: *[Signature]*  
 7-22-05  
 COUNTY ADMIN  
 FORWARDED TO: *[Signature]*

REC'D. 11:00 AM  
 by CO. ATTY.  
 CO. ATTY.  
 FORWARDED TO:  
*[Signature]*  
 7-22-05

**RESOLUTION NO. \_\_\_\_**

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF LEE COUNTY, FLORIDA AUTHORIZING THE ISSUANCE OF A NOTE IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$500,000 PURSUANT TO THAT CERTAIN LOAN AGREEMENT BETWEEN THE COUNTY AND SUNTRUST BANK, IN ORDER TO PREPAY CERTAIN OUTSTANDING INDEBTEDNESS OF THE COUNTY PREVIOUSLY INCURRED TO FINANCE CERTAIN CHANNEL DREDGING IMPROVEMENTS WITHIN THE NORTHEAST HURRICANE BAY MUNICIPAL SERVICE BENEFIT UNIT AND TO REIMBURSE THE COUNTY FOR AMOUNTS PREVIOUSLY EXPENDED TO FINANCE SUCH CHANNEL DREDGING IMPROVEMENTS; DETERMINING CERTAIN DETAILS OF SUCH NOTE; PLEDGING CERTAIN SPECIAL ASSESSMENT PROCEEDS COLLECTED WITHIN THE NORTHEAST HURRICANE BAY MUNICIPAL SERVICE BENEFIT UNIT TO THE REPAYMENT OF SUCH NOTE; AUTHORIZING THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF SUCH NOTE; AND PROVIDING FOR AN EFFECTIVE DATE FOR THIS RESOLUTION.

**BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF LEE COUNTY, FLORIDA:**

**SECTION 1. AUTHORITY FOR THIS RESOLUTION.** This Resolution is adopted pursuant to the provisions of Chapter 125, Florida Statutes and *other applicable provisions of law.*

**SECTION 2. DEFINITIONS.** When used in this Resolution, terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement between SunTrust Bank (the "Bank") and Lee County, Florida (the "County"), dated as of June 4, 2004 (the "Loan Agreement"), unless the context clearly indicates a different meaning.

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 3. FINDINGS.** It is hereby ascertained, determined and declared:

(A) On May 25, 2004, the Board of County Commissioners (the "Board") of the County adopted a resolution, which, among other things, approved a \$5,000,000 loan facility from the Bank, the proceeds of which will be applied to finance, refinance and/or reimburse the costs of various capital projects in the County, and authorized the execution and delivery of the Loan Agreement to evidence such loan facility.

(B) Pursuant to Resolution No. 04-11-29, adopted by the Board on November 16, 2004 (the "Prior Resolution"), the County previously issued its Lee County, Florida Revenue Note, Draw No. A11-5, dated as of December 7, 2004 (the "Prior Note"), for the principal purpose of financing a portion of the costs of certain channel dredging improvements within the Northeast Hurricane Bay Municipal Service Benefit Unit (the "Prior Project"), which Prior Note is currently outstanding in the aggregate principal amount of \$320,000.

(C) The County has previously adopted Resolution No. 98-10-30 (the "MSBU Resolution") establishing the Northeast Hurricane Bay Municipal Service Benefit Unit (the "MSBU").

(D) The County adopted Resolution No. 05-06-61 on June 28, 2005 (the "Assessment Resolution") imposing certain special assessments within the MSBU for the construction of various capital improvements, including the Prior Project, within the MSBU, as described in the MSBU Resolution and the Assessment Resolution.

(E) The Prior Note matures on December 6, 2005 and it is in the best interests of the County and the citizens within the MSBU to prepay the Prior Note prior to maturity in order to achieve debt service savings.

(F) It is in the best interests of the County and the citizens within the MSBU that a note be issued to the Bank pursuant to the Loan Agreement in the aggregate principal amount of not exceeding \$500,000 (the "Series 2005C Note") in order to prepay the Prior Note, to reimburse the County for amounts previously expended to finance the Prior Project, to capitalize a portion of the interest on the Series 2005C Note and to pay certain costs and expenses related to the issuance of the Series 2005C Note.

(G) The Series 2005C Note shall be repaid solely from special assessment proceeds levied and collected within the MSBU pursuant to the Assessment Resolution and the proceeds of the Series 2005C Note prior to the application thereof (collectively, the "2005C Designated Revenues") and shall never constitute a general obligation, or a

pledge of the faith, credit or taxing power of the County, the State of Florida, or any political subdivision thereof, within the meaning of any constitutional or statutory provisions. Neither the State of Florida, nor any political subdivision thereof, including the County shall be obligated to exercise its ad valorem taxing power in any form on any real or personal property of or in the County to pay the principal of the Series 2005C Note, the interest thereon, or other costs incidental thereto, or pay the same from any other funds of the County except from the 2005C Designated Revenues in the manner provided herein and in the Loan Agreement. The provisions of Section 2.06 of the Loan Agreement shall not apply to the repayment of the Series 2005C Note.

(H) Due to the potential volatility of the market for tax-exempt obligations such as the Series 2005C Note and the complexity of the transactions relating to such Series 2005C Note, it is in the best interest of the County to issue the Series 2005C Note by a negotiated sale to the Bank, allowing the County to enter the market at the most advantageous time, rather than at a specified advertised date, thereby permitting the County to obtain the best possible price and interest rate for the Series 2005C Note.

(I) Prior to the issuance of the Series 2005C Note, the Board shall receive a copy of the Bank's Disclosure Letter and Truth-in-Bonding Statement required by Section 218.385, Florida Statutes.

**SECTION 4. AUTHORIZATION TO PREPAY THE PRIOR NOTE AND TO REIMBURSE THE COUNTY FOR COSTS OF PRIOR PROJECT.** The County does hereby authorize the prepayment of the Prior Note in accordance with the terms of the Prior Resolution and this Resolution and does hereby authorize the reimbursement of amounts of previously expended by the County to finance the Prior Project.

**SECTION 5. AUTHORIZATION AND TERMS OF THE SERIES 2005C NOTE.** The County hereby authorizes the issuance of a note in the aggregate principal amount of not exceeding \$500,000 to be known as the "Lee County, Florida Refunding Revenue Note (SunTrust Bank), Series 2005C (Northeast Hurricane Bay MSBU Project)" for the principal purpose of prepaying the Prior Note, reimbursing the County for certain amounts previously expended to finance the Prior Project, capitalizing a portion of the interest on the Series 2005C Note and paying certain costs and expenses relating to the issuance of the Series 2005C Note. The actual principal amount of the Series 2005C Note shall be determined by the Chairman prior to its issuance provided such amount shall not exceed \$500,000. The Chairman and the Clerk are hereby authorized to execute, seal and deliver the Series 2005C Note on behalf of the County and such other documents, instruments, agreements and certificates necessary or desirable to effectuate the issuance of the Series 2005C Note in accordance with the provisions of the Loan Agreement.

The Series 2005C Note shall be dated its date of issuance, or such other date as shall be determined by the Chairman, or his designee. The Series 2005C Note shall bear interest in accordance with the terms of the Loan Agreement at the Non-Qualified Rate as described in and determined pursuant to the Loan Agreement and shall have a Final Maturity Date of May 1, 2015. Interest on the Series 2005C Note shall be payable semi-annually on November 1 and May 1 of each year commencing November 1, 2005. Principal of the Series 2005C Note shall be payable in substantially equal installments on May 1 of each year commencing May 1, 2006, such installments to be determined by the Chairman and set forth in the actual Series 2005C Note. The Series 2005C Note shall be subject to prepayment at the option of the County in accordance with Section 3.03 of the Loan Agreement.

**SECTION 6. SECURITY FOR SERIES 2005C NOTE.** The Series 2005C Note shall be secured by the 2005C Designated Revenues in the manner provided therefore herein and in the Loan Agreement; provided, however, that the provisions of Section 2.06 of the Loan Agreement shall not apply with respect to the repayment of the Series 2005C Note. The County hereby irrevocably pledges the 2005C Designated Revenues to the full and prompt payment of the principal of and interest on the Series 2005C Note. The estimated Series 2005C Designated Revenues will be sufficient to pay the principal of, and interest on, the Series 2005C Note as the same shall become due and to make all other payments required by this Resolution and the Loan Agreement.

**SECTION 7. LOAN AGREEMENT.** Except as otherwise provided herein, all of the terms and provisions of the Loan Agreement shall apply with respect to the Series 2005C Note and unless subsequently modified by resolution of the Board, shall be in full force and effect through the Final Maturity Date of the Series 2005C Note.

**SECTION 8. GENERAL AUTHORIZATION.** The Chairman, Vice-Chairman and Clerk of the Board and other employees or agents of the County are authorized to execute and deliver such documents, instruments and contracts, and are hereby authorized and directed to do all acts and things required hereby as may be necessary for the full, punctual and complete performance of all the terms, covenants, provisions and agreements herein contained, or as otherwise may be necessary or desirable to effectuate the purpose and intent of this Resolution. To the extent the Chairman or the Clerk is unable to perform any duty or function hereunder, the Vice-Chairman of the Board and any duly authorized Deputy Clerk, respectively, are hereby authorized to act on their respective behalf.

**SECTION 9. REPEAL OF INCONSISTENT INSTRUMENTS.** All ordinances, resolutions or parts thereof in conflict herewith are hereby superseded and repealed to the extent of such conflict.

**SECTION 10. EFFECTIVE DATE.** This Resolution shall take effect immediately upon its adoption.

**ADOPTED** this 2nd day of August, 2005.

**BOARD OF COUNTY COMMISSIONERS  
OF LEE COUNTY, FLORIDA**

(SEAL)

\_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Clerk

APPROVED AS TO FORM AND  
LEGAL SUFFICIENCY:

\_\_\_\_\_  
County Attorney