



## Office of the Town Manager

Rafael G. Casals, CFM  
Town Manager

# MEMORANDUM

To: Honorable Mayor and Town Council

From: Rafael G. Casals, Town Manager

Date: March 18, 2015

Re: Issuance of a Request for Proposals (RFP) # 15-08:  
Tax-Exempt and Taxable Loans Services

## REQUEST

**A RESOLUTION OF THE MAYOR AND TOWN COUNCIL OF THE TOWN OF CUTLER BAY, FLORIDA, AUTHORIZING THE ISSUANCE OF A REQUEST FOR PROPOSAL FOR TAX-EXEMPT AND TAXABLE LOAN SERVICES; PROVIDING FOR AUTHORIZATION; AND PROVIDING FOR AN EFFECTIVE DATE.**

## BACKGROUND AND ANALYSIS

In June 2010, the Town acquired the Town Hall building and in December 2010 it acquired the adjacent land parcel to the south of the building. Pursuant to these acquisitions, the Town entered into financing agreements with TD Bank (via Resolution #10-28 and Ordinance #10-06) which included both taxable and tax-exempt promissory notes totaling approximately \$12.7 million. In September 2012, the Town borrowed an additional approximate \$2.6 million related to the Town's education initiative (via Resolution #12-47 and Ordinance #12-05) and also amended the terms of three of the existing 2010 promissory notes to defer the commencement of principal payments until December 2014.

The 2010 Series A, B, D, & E building acquisition and improvement promissory notes, as amended, provide for interest rate resets on the 5<sup>th</sup> anniversary date of those loans (June 14, 2015). The loan terms allow the Town to prepay and opt out of those promissory notes on that date without penalty. The Town has provided TD Bank with written notice of its intent to prepay and refinance those 2010 Series A, B, D, & E promissory notes on the reset date. Additionally, the Town informed TD Bank that it would also consider refinancing the 2010 Series C promissory note (the land parcel loan), as amended, and 2012 School Revenue Bonds on the same June 14, 2015 reset date if terms were now more favorable.





As has been discussed during recent Council Workshops, Budget Workshops and Hearings, Town staff has intended to take advantage of the current lower interest rate environment and “bundle” the old loans (2010 Series) into new loans with more favorable terms. Additionally, the now more favorable terms would allow the Town to borrow additional funds to complete the improvements to the Town Hall building property (including but not limited to “hardening” of the building for storm protection, replacement of the HVAC system, upgrades to the parking lot lighting and completion of common area and rest room upgrades).

To assist in the loan solicitation process, the Town hired (via Resolution #14-44) a Financial Advisor (the “Advisor”) to help explore and evaluate new financing opportunities. The first step in that process is to issue a Request for Proposal (“RFP”) to solicit bids from qualified lenders. Due to the technical nature of loan terms and the lending process in general, the Advisor helped develop the language for the Town’s RFP as well as helped develop the review criteria to help evaluate the bids received. In order for the RFP process to be completed well in advance of the projected June 2015 refinancing date, the RFP is anticipated to be issued in March 2015 after Town Council approval.

### **RECOMMENDATION**

We recommend that the attached resolution be adopted, authorizing the Town Manager to issue a Request for Proposals (RFP #15-08), to obtain Tax-Exempt and Taxable Loans services.

