

RESOLUTION NUMBER 20-32

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF FORT MYERS BEACH, FLORIDA, AUTHORIZING THE APPROPRIATE TOWN OFFICIALS TO TAKE ALL STEPS NECESSARY TO SECURE A LOAN COMMITMENT FROM FIRST FLORIDA INTEGRITY BANK IN THE PRINCIPAL AMOUNT OF \$10,000,000.00 WITH A 3.15% PER ANNUM INTEREST RATE, AMORTIZED FOR UP TO TWENTY (20) YEARS AND BRING FORWARD A LOAN NOTE FOR APPROVAL BEFORE SEPTEMBER 21, 2020; THE PURPOSE OF THE LOAN IS TO FINANCE NEEDED CAPITAL IMPROVEMENT PROJECTS THROUGHOUT THE TOWN; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Florida Statutes provide that municipalities shall have the governmental, corporate, and proprietary powers to enable them to conduct municipal government, perform municipal functions, and render municipal service, and exercise any power for municipal purposes, except when expressly prohibited by law; and

WHEREAS, Article X of the Town Charter of the Town of Fort Myers Beach (“Town”) empowers the Town to adopt, amend, or repeal such ordinances and resolutions as may be required for the proper governing of the Town; and

WHEREAS, the Town desires to borrow monies to fund needed Town-wide capital improvement projects including, but not limited to the redevelopment of the Town’s Bay Oaks Recreational Facility; and

WHEREAS, First Florida Integrity Bank has advised the Town of its willingness to loan the Town up to \$10,000,000.00 at a proposed interest rate of 3.15% per annum, and repayments amortized up to twenty (20) years as evidenced by certain correspondence dated August 4, 2020 (“Loan Letter”); and

WHEREAS, the Town is amenable to such a loan transaction as generally set forth in the Loan Letter.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE TOWN OF FORT MYERS BEACH AS FOLLOWS:

Section 1. The above recitals are true and correct and are hereby incorporated by reference as though fully set forth herein.

Section 2. The Town Council authorizes the appropriate Town officials to take all steps necessary to secure a loan commitment from First Florida Integrity Bank as generally set forth in the Loan Letter, attached hereto and made a part hereof as Exhibit “A”, for use in funding needed Town-wide capital improvement projects.

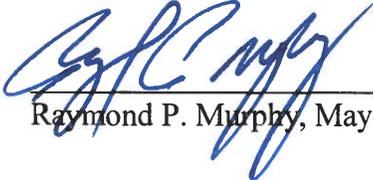
Section 3. This resolution shall take effect immediately upon its adoption by the Town Council of the Town of Fort Myers Beach.

The foregoing Resolution was adopted by the Town Council upon a motion by Council Member Allers and seconded by Council Member Allers and upon being put to a vote, the result was as follows:

Raymond P. Murphy, Mayor	Aye
Rexann Hosafros, Vice Mayor	Aye
Dan Allers, Council Member	Aye
Jim Atterholt, Council Member	Aye
Bill Veach, Council Member	Aye

ADOPTED this 17th day of August, 2020 by the Town Council of the Town of Fort Myers Beach, Florida.

TOWN OF FORT MYERS BEACH



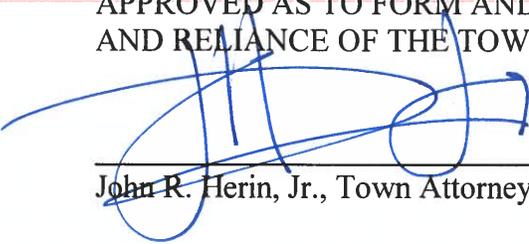
Raymond P. Murphy, Mayor

ATTEST:



Michelle D. Mayher, Town Clerk

APPROVED AS TO FORM AND LEGAL SUFFICIENCY FOR THE USE
AND RELIANCE OF THE TOWN OF FORT MYERS BEACH SOLELY:



John R. Herin, Jr., Town Attorney

This Resolution was filed in the Office of the Town Clerk on this 17th day of August 2020.



First Florida Integrity Bank

August 4, 2020

(Updated as of September 1, 2020)

Roger Hernstadt
Town Manager
The Town of Fort Myers Beach
2525 Estero Boulevard
Fort Myers Beach, Florida 33931

Dear Mr. Hernstadt:

We greatly appreciate the opportunity to establish our new relationship. Summarized below are the basic terms and conditions on a possible loan structure to meet your current financing needs. *This letter is for discussion purposes only and does not constitute a commitment from First Florida Integrity Bank (Bank).*

CREDIT FACILITY:

Borrower: The Town of Fort Myers Beach

Facility Type: Commercial Loan

Amount: \$10,000,000

Purpose: Provide construction/renovation financing for a new park.

Repayment Terms: The term of the loan shall be 10 years. The first 36 months shall be a non-revolving line of credit, then converting to a term loan. There shall be monthly principal and interest payments of \$48,448, throughout the term of the loan..

Loan Extension: The bank agrees to renew the loan at maturity as long as loan has been paid as agreed and all covenants have been met. The loan will be extended for an additional ten (10) years at a fixed rate based on the prevailing ten year treasury rate + 255 basis points. There shall be a 50 basis point loan fee based on the renewal amount, plus normal costs of renewal including a legal fee for the documentation process.

Interest Rate (Tax Free): Tax free interest rate of 3.15% if loan closes by October 15, 2020.

Commitment Fee: \$20,000

Other Fees: Legal fee for document preparation (to be determined).

Collateral: An assignment of public service tax revenue. A secondary assignment shall be communication service tax revenue.

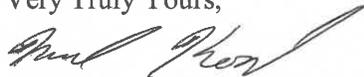
Primary conditions:

1. Borrower to maintain their primary bank deposit accounts with the Lender.
2. Receipt of opinion letter from the borrower's bond counsel that the loan is a tax-exempt government obligation.
3. Borrower to maintain a Debt Service Coverage Ratio of 1.10x. (Cash flow before interest expense divided by total debt obligations).
4. Receipt of opinion letter from Borrower's counsel that the respective tax revenue provided as collateral is legally assignable.

This proposal (i) is subject to completion of the Bank's normal due diligence and credit approval process, (ii) is not a commitment to lend and (iii) is not an attempt to define all of the terms and conditions which may be included in the final documentation. This proposal serves to outline certain basic provisions from which a final agreement can be structured. The Bank will not finish the underwriting and approval process if this proposal is not accepted by September 5, 2020.

If the foregoing terms are acceptable to you, and you would like to proceed with the underwriting and approval process, please acknowledge so by signing where indicated and returning the original, together with a check in the amount of \$10,000 payable to First Florida Integrity Bank. Should your Loan be approved upon the terms and conditions contained herein, the \$10,000 will be credited towards the closing costs. If after acceptance of the terms contained herein, you fail to close on the loan in accordance with terms contained herein prior to October 15, 2020, the \$10,000 will be forfeited. If the Loan is not approved and closed by the Bank in accordance with the accepted terms, the \$10,000 (less any costs paid to third parties by the bank) will be returned to you within 3 business days.

Very Truly Yours,



Michael Kozak
Senior Vice President
First Florida Integrity Bank

Accepted by:

The Town of Fort Myers Beach

By: _____

Its: _____