

RESOLUTION No. 2009-135-1080

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MIAMI GARDENS, FLORIDA, AUTHORIZING THE CITY MANAGER AND CITY ATTORNEY TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH BANK OF AMERICA FOR FINANCING IN THE AMOUNT OF NINE MILLION DOLLARS (\$9,000,000.00), FOR THE PURCHASE OF CERTAIN REAL PROPERTY; PROVIDING FOR THE ADOPTION OF REPRESENTATIONS; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council has made a determination that it would like to purchase a forty-six (46) acres of undeveloped land for future economic development activities and

WHEREAS, staff prepared RFP#08-09-052 and advertised it on June 12, 2009, and

WHEREAS, proposals were received from Bank of America, BBT Governmental Finance, Fifth Third Bank, and Wachovia Bank, NA, Miami, Florida, and

WHEREAS, a staff evaluation committee evaluated the proposals in accordance with the criteria established by the RFP, and

WHEREAS, after considering the responses and the City's needs, the Committee has ranked the proposal received from Bank of America as number one, and

WHEREAS, in reaching the ranking, the committee considered a number of factors including: interest rates, loan term, call terms, collateral requirements, debt coverage requirements, flexibility, and ease of utilization and creativity in financing,

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MIAMI GARDENS, FLORIDA, AS FOLLOWS:

Section 1. ADOPTION OF REPRESENTATIONS: The foregoing Whereas paragraphs are hereby ratified and confirmed as being true, and the same are hereby made a specific part of this Resolution.

Section 2. AUTHORIZATION: The City Council of the City of Miami Gardens hereby authorizes the City Manager to negotiate and execute a financing agreement with Bank of America, in the amount of nine million dollars (\$9,000,000.00) for the purchase of that certain (46) acres of undeveloped land for future economic development activities.

Section 3. EFFECTIVE DATE: This Resolution shall take effect immediately upon its final passage.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF MIAMI GARDENS AT ITS REGULAR MEETING HELD ON JULY 2009.


SHIRLEY GIBSON, MAYOR

ATTEST:


RONETTA TAYLOR, MMC, CITY CLERK

PREPARED BY: SONJA KNIGHTON DICKENS, ESQ.
City Attorney

SPONSORED BY: DANNY CREW, CITY MANAGER

MOVED BY: Councilwoman Pritchett
SECOND BY: Councilman Gilbert

VOTE: 4-1

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Mayor Shirley Gibson	<u>X</u>	(Yes)	___	(No)
Vice Mayor Barbara Watson	___	(Yes)	___	(No)(out of town)
Councilman Melvin L. Bratton	___	(Yes)	___	(No)(out of town)
Councilman Aaron Campbell	<u>X</u>	(Yes)	___	(No)
Councilman Oliver Gilbert, III	<u>X</u>	(Yes)	___	(No)
Councilwoman Sharon Pritchett	___	(Yes)	<u>X</u>	(No)
Councilman André Williams	<u>X</u>	(Yes)	___	(No)

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City of Miami Gardens Agenda Cover Memo

Council Meeting Date:	July 8, 2009		Item Type:	Resolution	Ordinance	Other	
				X			
Fiscal Impact:	Yes	No	Ordinance Reading:		1st Reading		2nd Reading
	X				Public Hearing:		Yes
Funding Source:	Bond Proceeds		Advertising Requirement:	Yes		No	
				X			
Contract/P.O. Required:	Yes	No	RFP/RFQ/Bid #:	<i>RFP#08-09-053 Financing Proposal</i>			
	X						
Sponsor Name	Dr. Danny Crew, City Manager		Department:	<i>City Manager</i>			

Short Title:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MIAMI GARDENS, FLORIDA, AUTHORIZING THE CITY MANAGER AND CITY ATTORNEY TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH BANK OF AMERICA FOR FINANCING IN THE AMOUNT OF NINE MILLION DOLLARS (\$9,000,000.00), FOR THE PURCHASE OF CERTAIN REAL PROPERTY; PROVIDING FOR THE ADOPTION OF REPRESENTATIONS; PROVIDING AN EFFECTIVE DATE.

Staff Summary:

The City also requires financing of nine million for the acquisition of forty-six (46) acres of undeveloped land for future economic development activities. The property is currently zoned and approved for 660 townhouse units.

Staff prepared the proposal document RFP#08-09-052 and advertised on June 12, 2009. A broadcast notice was sent to 511 vendors. Twenty-three proposal packages were requested. The proposals were opened on June 22, 2009. Four proposals were received and publicly read. Proposals were received from Bank of America, Naples, Florida; BBT Governmental Finance, Orlando, Florida; Fifth Third Bank, Sunrise, Florida and Wachovia Bank, NA, Miami, Florida. A copy of the proposal document and submittals are available at the assistant to the mayor and council's office for review.

An evaluation committee consisting of Danny Crew, City Manager and William Alonso, Finance Director evaluated the proposals in accordance with the criteria. The committee met on June 30, 2009, to discuss the criteria. Mr.

Alonso provided the committee with a spreadsheet which included type of facility, draw down rate, fixed rate, bank fees, and prepayment penalties.

After considering the responses and the City's needs, the Committee has ranked as number one, the proposal received from Bank of America.

In reaching the ranking, the committee considered a number of factors including: interest rates, call terms, collateral requirements, debt coverage requirements and flexibility and ease of utilization and creativity in financing. The top ranked proposal offers the best all-around approach to our potential borrowing needs as well as providing the lowest interest rate of the four proposals received.

Proposed Action:

Recommendation: That the City Council approve the resolution authorizing the negotiation of a contract with Bank of America, located in Naples, Florida for the City's financing needs.

Attachment:

The spread sheet is attached as exhibit A.

Copies of the proposals have been provided earlier.

**CITY OF MIAMI GARDENS
ANALYSIS OF BID RESPONSES
\$9 Million Financing Proposal**

	Bank of America	Wachovia	BB&T	Fifth Third Bank
Amount	\$ 9,000,000	\$ 9,000,000	<u>Did not bid</u>	\$ 9,000,000
Type	Taxable Bond	Taxable Bond		Taxable Bond
Interest Rate	5.27% as of June 18 (Sum of 5 year Interest Rate Swap plus 215 basis points)	6.50%		LIBOR plus 425 bps if interest rate swap is not executed and LIBOR plus 300 bps if swap is executed with bank.
Fixed Rate Option	3.00% as of June 18, 2009 (based on 30 day LIBOR plus 225 bps, rate changes daily)			
Variable Rate option		None		None
Terms	Fixed or variable rate for 5 years	Fixed rate for 5 years		5 Year term
Prepayment Penalty	Yes on fixed, No on variable	No		None
Collateral	Communication Services Tax, Half Cent Tax, and the Electric Utility Tax	Electric Utility Tax		Communication Services Tax, Half Cent Tax, and the Electric Utility Tax
Depository Requirement	Minimum deposit balance of at least \$2.5 million for at least two years, plus all unsevered proceeds shall be left on deposit with them	NONE		Requires city to keep \$11 million on deposit
Closing Costs	\$4,500.00	\$3,500.00		\$800.00