

ST. PETERSBURG CITY COUNCIL

Meeting of October 6, 2022

TO: The Honorable Ed Montanari, Chair, and members of City Council

FROM: Anne A. Fritz, Chief Financial Officer *Aaf*

SUBJECT:

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF ST. PETERSBURG, FLORIDA AUTHORIZING THE
ISSUANCE OF A NOT TO EXCEED \$16,000,000 NON-AD
VALOREM REVENUE NOTE, SERIES 2022**

As presented to BFT on September 22, 2022, this debt issue is to finance the construction of the new Sanitation Administrative Facility. The agenda package has been updated to include the latest changes to the estimated sources and uses increasing the net debt proceeds to the project fund of \$15,200,000.

Recommendation: The City staff recommends approval of the resolution authorizing the issuance of not to exceed \$16,000,000 million Non-Ad Valorem Revenue Note, Series 2022, for the Sanitation Department.

Attachments:

- 1.) Updated Source and Use of Funds
- 2.) Updated Note Resolution

SOURCES AND USES OF FUNDS

City of St. Petersburg, Florida
Non-Ad Valorem Revenue Note, Series 2022

FINAL NUMBERS
Lender: Truist Bank
(10-Year Par Call)

Dated Date 10/17/2022
Delivery Date 10/17/2022

Sources:

Bond Proceeds:	
Par Amount	15,255,000.00

15,255,000.00

Uses:

Project Fund Deposits:	
Sanitation Building	15,200,000.00

Delivery Date Expenses:

Cost of Issuance	55,000.00
------------------	-----------

15,255,000.00

BOND SUMMARY STATISTICS

City of St. Petersburg, Florida
Non-Ad Valorem Revenue Note, Series 2022

FINAL NUMBERS
Lender: Truist Bank
(10-Year Par Call)

Dated Date	10/17/2022
Delivery Date	10/17/2022
Last Maturity	12/01/2037
Arbitrage Yield	3.230325%
True Interest Cost (TIC)	3.230325%
Net Interest Cost (NIC)	3.230000%
All-In TIC	3.279717%
Average Coupon	3.230000%
Average Life (years)	8.715
Duration of Issue (years)	7.436
Par Amount	15,255,000.00
Bond Proceeds	15,255,000.00
Total Interest	4,294,268.85
Net Interest	4,294,268.85
Total Debt Service	19,549,268.85
Maximum Annual Debt Service	1,301,735.00
Average Annual Debt Service	1,292,751.06
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	

Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	15,255,000.00	100.000	3.230%	8.715	11,149.20
	15,255,000.00			8.715	11,149.20

	TIC	All-In TIC	Arbitrage Yield
Par Value	15,255,000.00	15,255,000.00	15,255,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		(55,000.00)	
- Other Amounts			
Target Value	15,255,000.00	15,200,000.00	15,255,000.00
Target Date	10/17/2022	10/17/2022	10/17/2022
Yield	3.230325%	3.279717%	3.230325%

BOND PRICING

City of St. Petersburg, Florida
Non-Ad Valorem Revenue Note, Series 2022

FINAL NUMBERS
Lender: Truist Bank
(10-Year Par Call)

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	12/01/2023	805,000	3.230%	3.230%	100.000
	12/01/2024	835,000	3.230%	3.230%	100.000
	12/01/2025	860,000	3.230%	3.230%	100.000
	12/01/2026	885,000	3.230%	3.230%	100.000
	12/01/2027	915,000	3.230%	3.230%	100.000
	12/01/2028	945,000	3.230%	3.230%	100.000
	12/01/2029	975,000	3.230%	3.230%	100.000
	12/01/2030	1,005,000	3.230%	3.230%	100.000
	12/01/2031	1,040,000	3.230%	3.230%	100.000
	12/01/2032	1,075,000	3.230%	3.230%	100.000
	12/01/2033	1,110,000	3.230%	3.230%	100.000
	12/01/2034	1,145,000	3.230%	3.230%	100.000
	12/01/2035	1,180,000	3.230%	3.230%	100.000
	12/01/2036	1,220,000	3.230%	3.230%	100.000
	12/01/2037	1,260,000	3.230%	3.230%	100.000
		15,255,000			

Dated Date	10/17/2022	
Delivery Date	10/17/2022	
First Coupon	12/01/2022	
Par Amount	15,255,000.00	
Original Issue Discount		
Production	15,255,000.00	100.000000%
Underwriter's Discount		
Purchase Price	15,255,000.00	100.000000%
Accrued Interest		
Net Proceeds	15,255,000.00	

BOND DEBT SERVICE

City of St. Petersburg, Florida
Non-Ad Valorem Revenue Note, Series 2022

FINAL NUMBERS
Lender: Truist Bank
(10-Year Par Call)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2022			60,223.35	60,223.35	60,223.35
06/01/2023			246,368.25	246,368.25	
12/01/2023	805,000	3.230%	246,368.25	1,051,368.25	1,297,736.50
06/01/2024			233,367.50	233,367.50	
12/01/2024	835,000	3.230%	233,367.50	1,068,367.50	1,301,735.00
06/01/2025			219,882.25	219,882.25	
12/01/2025	860,000	3.230%	219,882.25	1,079,882.25	1,299,764.50
06/01/2026			205,993.25	205,993.25	
12/01/2026	885,000	3.230%	205,993.25	1,090,993.25	1,296,986.50
06/01/2027			191,700.50	191,700.50	
12/01/2027	915,000	3.230%	191,700.50	1,106,700.50	1,298,401.00
06/01/2028			176,923.25	176,923.25	
12/01/2028	945,000	3.230%	176,923.25	1,121,923.25	1,298,846.50
06/01/2029			161,661.50	161,661.50	
12/01/2029	975,000	3.230%	161,661.50	1,136,661.50	1,298,323.00
06/01/2030			145,915.25	145,915.25	
12/01/2030	1,005,000	3.230%	145,915.25	1,150,915.25	1,296,830.50
06/01/2031			129,684.50	129,684.50	
12/01/2031	1,040,000	3.230%	129,684.50	1,169,684.50	1,299,369.00
06/01/2032			112,888.50	112,888.50	
12/01/2032	1,075,000	3.230%	112,888.50	1,187,888.50	1,300,777.00
06/01/2033			95,527.25	95,527.25	
12/01/2033	1,110,000	3.230%	95,527.25	1,205,527.25	1,301,054.50
06/01/2034			77,600.75	77,600.75	
12/01/2034	1,145,000	3.230%	77,600.75	1,222,600.75	1,300,201.50
06/01/2035			59,109.00	59,109.00	
12/01/2035	1,180,000	3.230%	59,109.00	1,239,109.00	1,298,218.00
06/01/2036			40,052.00	40,052.00	
12/01/2036	1,220,000	3.230%	40,052.00	1,260,052.00	1,300,104.00
06/01/2037			20,349.00	20,349.00	
12/01/2037	1,260,000	3.230%	20,349.00	1,280,349.00	1,300,698.00
	15,255,000		4,294,268.85	19,549,268.85	19,549,268.85

BOND DEBT SERVICE

City of St. Petersburg, Florida
 Non-Ad Valorem Revenue Note, Series 2022

 FINAL NUMBERS
 Lender: Truist Bank
 (10-Year Par Call)

Period Ending	Principal	Coupon	Interest	Debt Service
12/01/2022			60,223.35	60,223.35
12/01/2023	805,000	3.230%	492,736.50	1,297,736.50
12/01/2024	835,000	3.230%	466,735.00	1,301,735.00
12/01/2025	860,000	3.230%	439,764.50	1,299,764.50
12/01/2026	885,000	3.230%	411,986.50	1,296,986.50
12/01/2027	915,000	3.230%	383,401.00	1,298,401.00
12/01/2028	945,000	3.230%	353,846.50	1,298,846.50
12/01/2029	975,000	3.230%	323,323.00	1,298,323.00
12/01/2030	1,005,000	3.230%	291,830.50	1,296,830.50
12/01/2031	1,040,000	3.230%	259,369.00	1,299,369.00
12/01/2032	1,075,000	3.230%	225,777.00	1,300,777.00
12/01/2033	1,110,000	3.230%	191,054.50	1,301,054.50
12/01/2034	1,145,000	3.230%	155,201.50	1,300,201.50
12/01/2035	1,180,000	3.230%	118,218.00	1,298,218.00
12/01/2036	1,220,000	3.230%	80,104.00	1,300,104.00
12/01/2037	1,260,000	3.230%	40,698.00	1,300,698.00
	15,255,000		4,294,268.85	19,549,268.85

COST OF ISSUANCE

City of St. Petersburg, Florida
Non-Ad Valorem Revenue Note, Series 2022

FINAL NUMBERS
Lender: Truist Bank
(10-Year Par Call)

Cost of Issuance	\$/1000	Amount
Bond Counsel Fee	1.47493	22,500.00
Bond Counsel Expenses	0.22943	3,500.00
Financial Advisor Fee	1.21272	18,500.00
Financial Advisor Expenses	0.03278	500.00
Lender's Counsel	0.55719	8,500.00
Miscellaneous	0.09833	1,500.00
	3.60538	55,000.00

FORM 8038 STATISTICS

City of St. Petersburg, Florida
Non-Ad Valorem Revenue Note, Series 2022

FINAL NUMBERS
Lender: Truist Bank
(10-Year Par Call)

Dated Date 10/17/2022
Delivery Date 10/17/2022

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Bond Component:						
	12/01/2023	805,000.00	3.230%	100.000	805,000.00	805,000.00
	12/01/2024	835,000.00	3.230%	100.000	835,000.00	835,000.00
	12/01/2025	860,000.00	3.230%	100.000	860,000.00	860,000.00
	12/01/2026	885,000.00	3.230%	100.000	885,000.00	885,000.00
	12/01/2027	915,000.00	3.230%	100.000	915,000.00	915,000.00
	12/01/2028	945,000.00	3.230%	100.000	945,000.00	945,000.00
	12/01/2029	975,000.00	3.230%	100.000	975,000.00	975,000.00
	12/01/2030	1,005,000.00	3.230%	100.000	1,005,000.00	1,005,000.00
	12/01/2031	1,040,000.00	3.230%	100.000	1,040,000.00	1,040,000.00
	12/01/2032	1,075,000.00	3.230%	100.000	1,075,000.00	1,075,000.00
	12/01/2033	1,110,000.00	3.230%	100.000	1,110,000.00	1,110,000.00
	12/01/2034	1,145,000.00	3.230%	100.000	1,145,000.00	1,145,000.00
	12/01/2035	1,180,000.00	3.230%	100.000	1,180,000.00	1,180,000.00
	12/01/2036	1,220,000.00	3.230%	100.000	1,220,000.00	1,220,000.00
	12/01/2037	1,260,000.00	3.230%	100.000	1,260,000.00	1,260,000.00
		15,255,000.00			15,255,000.00	15,255,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	12/01/2037	3.230%	1,260,000.00	1,260,000.00		
Entire Issue			15,255,000.00	15,255,000.00	8.7151	3.2303%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	55,000.00
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00

RESOLUTION NO. 2022-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ST. PETERSBURG, FLORIDA AUTHORIZING THE ISSUANCE OF A NOT TO EXCEED \$16,000,000 NON-AD VALOREM REVENUE NOTE, SERIES 2022 TO FINANCE THE COSTS OF THE ACQUISITION, DESIGN, CONSTRUCTION, RECONSTRUCTION, AND EQUIPPING OF CAPITAL IMPROVEMENTS WITHIN THE CITY, INCLUDING WITHOUT LIMITATION A SANITATION ADMINISTRATIVE BUILDING, AND TO PAY ASSOCIATED TRANSACTIONAL COSTS; PROVIDING THAT SUCH NOTE SHALL BE A LIMITED OBLIGATION OF THE CITY PAYABLE SOLELY FROM NON-AD VALOREM REVENUES BUDGETED AND APPROPRIATED AS PROVIDED HEREIN; PROVIDING FOR THE RIGHTS, SECURITIES AND REMEDIES FOR THE OWNER OF SUCH NOTE; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ST. PETERSBURG, FLORIDA:

Section 1: *Authority for this Resolution.* This Resolution is adopted pursuant to the Constitution of the State of Florida, Chapter 166, Part II, Florida Statutes, the municipal charter of the City of St. Petersburg, Florida (the "Issuer") and other applicable provisions of law (collectively, the "Act").

Section 2: *Definitions.* All capitalized undefined terms shall have the same meanings as set forth in this Resolution, as hereinafter defined. In addition, the following terms, unless the context otherwise requires, shall have the meanings specified in this section. Words importing the singular number shall include the plural number in each case and vice versa.

"Business Day" shall mean any day except any Saturday or Sunday or day on which banking institutions within the State are authorized or required by law to remain closed.

"Chief Financial Officer" shall mean the Chief Financial Officer of the Issuer, or her designee.

"City Administrator" shall mean the City Administrator of the Issuer, or his designee.

"*City Attorney*" shall mean the City Attorney or any Assistant City Attorney of the Issuer.

"*City Clerk*" shall mean the City Clerk or any assistant or deputy City Clerk of the Issuer.

"*City Council*" shall mean the City Council of the Issuer.

"*Code*" shall mean the Internal Revenue Code of 1986, as amended, and any Treasury Regulations, whether temporary, proposed or final, promulgated thereunder or applicable thereto.

"*Debt Service Fund*" shall mean the Debt Service Fund established with respect to the Note pursuant to Section 10 hereof.

"*Fiscal Year*" shall mean the period commencing on October 1 of each year and continuing through the next succeeding September 30, or such other period as may be prescribed by law.

"*Lender*" shall mean Truist Commercial Equity, Inc., together with its successors and assigns.

"*Maturity Date*" shall mean December 1, 2037.

"*Mayor*" shall mean the Mayor of the Issuer, or his designee. The Mayor is authorized, but is not bound, to designate the City Administrator and/or the Chief Financial Officer to execute certificates, agreements and all other documents in connection with the issuance of the Note.

"*Non-Ad Valorem Revenues*" shall mean all legally available revenues of the Issuer other than ad valorem tax revenues.

"*Note*" shall mean the Issuer's Non-Ad Valorem Revenue Note, Series 2022 authorized by Section 4 hereof.

"*Note Counsel*" shall mean Bryant Miller Olive P.A., or other nationally recognized bond counsel firm.

"*Owner*" shall mean the Person or Persons in whose name or names the Note shall be registered on the books of the Issuer kept for that purpose in accordance with provisions of this Resolution. The Lender shall be the initial Owner.

"*Permitted Lender*" shall mean any affiliate of the Lender or any bank, trust company, savings institution, insurance company or qualified institutional buyer under Rule 144A

promulgated under the Securities Act of 1933 or accredited investor under Rule 501 promulgated under the Securities Act of 1933, that is an affiliate of the aforementioned Persons.

"Person" shall mean natural persons, firms, trusts, estates, associations, corporations, partnerships and public bodies.

"Pledged Revenues" shall mean the Non-Ad Valorem Revenues budgeted, appropriated and deposited in the Debt Service Fund and any proceeds of the Note on deposit in the Project Fund as provided herein, together with investment income on deposit in such respective Funds.

"Principal Office" shall mean with respect to the Lender, the office located at 401 East Jackson Street, 20th Floor, Tampa, Florida 33602, or such other office as the Lender may designate to the Issuer in writing.

"Project" shall mean the acquisition, design, construction, reconstruction, and equipping of capital improvements within the City, including without limitation a sanitation administrative building, all in accordance with plans on file at the offices of the Issuer, as such plans may be modified from time to time.

"Project Fund" shall mean the Project Fund established with respect to the Note pursuant to Section 11 hereof.

"Resolution" shall mean this Resolution, pursuant to which the Note is authorized to be issued.

"State" shall mean the State of Florida.

Section 3: Findings.

(A) For the benefit of its citizens, the Issuer finds, determines and declares that it is beneficial for the continued preservation of the welfare and convenience of the Issuer and its citizens to finance the costs of the acquisition, design, construction, reconstruction, and equipping of the Project.

(B) Debt service on the Note will be secured by a covenant to budget, appropriate and deposit Non-Ad Valorem Revenues as provided herein. The Pledged Revenues will be sufficient to pay the principal and interest on the Note herein authorized, as the same become due, and to make all deposits required by this Resolution.

(C) The Issuer shall never be required to levy ad valorem taxes or use the proceeds thereof to pay debt service on the Note or to make any other payments to be made hereunder or to maintain or continue any of the activities of the Issuer which generate user service charges, regulatory fees or any Non-Ad Valorem Revenues. The Note shall not constitute a lien

on any property owned by or situated within the city limits of the Issuer other than the Pledged Revenues.

(D) It is estimated that the Non-Ad Valorem Revenues will be available after satisfying funding requirements for obligations having an express lien on or pledge thereof and after satisfying funding requirements for essential governmental services of the Issuer, in amounts sufficient to provide for the payment of the principal of and interest on the Note and all other payment obligations hereunder.

(E) The Issuer, after soliciting proposals in response to a request for loan proposals distributed by the Issuer on August 8, 2022 for financing the costs of the acquisition, design, construction, reconstruction, and equipping of the Project and receiving multiple responses complying with the structure described in such request, has selected the Lender to purchase the Note.

Section 4: *Authorization of Note and Project.* Subject and pursuant to the provisions of this Resolution, an obligation of the Issuer to be known as the “City of St. Petersburg, Florida Non-Ad Valorem Revenue Note, Series 2022” is hereby authorized to be issued under and secured by this Resolution in the principal amount of not to exceed \$16,000,000 for the purpose of financing the costs of the acquisition, design, construction, reconstruction, and equipping of the Project, and paying the costs of issuing the Note. The use of the proceeds of the Note as heretofore described is authorized. The acquisition, design, construction, reconstruction, and equipping of the Project is also hereby authorized.

Because of the characteristics of the Note, prevailing market conditions, and additional savings to be realized from an expeditious sale of the Note, it is in the best interest of the Issuer to accept the offer of the Lender to purchase the Note at a private negotiated sale, which was based upon a competitive selection process. Prior to the issuance of the Note, the Issuer shall receive from the Lender a Lender’s Certificate, in substantially the form attached hereto as Exhibit B and a Disclosure Letter containing the information required by Section 218.385, Florida Statutes, in substantially the form attached hereto as Exhibit C.

Section 5: *This Resolution to Constitute Contract.* In consideration of the acceptance of the Note authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Issuer and the Owner.

Section 6: *Description of the Note.* The Note shall be dated the date of its execution and delivery, which shall be a date agreed upon by the Issuer and the Lender, subject to the following terms:

- (A) **Interest Rate.** The Note shall have a fixed interest rate equal to 3.23% per annum (subject to adjustment upon the occurrence of certain events as provided in the Note) (calculated on a 30/360 day count basis).

- (B) Principal and Interest Payment Dates. Interest on the Note shall be paid semi-annually on each June 1 and December 1, commencing December 1, 2022. Principal on the Note shall be paid in the amounts and on the dates set forth in the Note with a final maturity date of the Maturity Date.
- (C) Prepayment of the Note. The Note shall be subject to prepayment as described in the Note.
- (D) Form of the Note. The Note is to be in substantially the form set forth in Exhibit A attached hereto, together with such non-material changes as shall be approved by the Mayor, such approval to be conclusively evidenced by the execution thereof by the Mayor.
- (E) Original Denomination of the Note. The Note shall originally be issued in a single denomination equal to the original principal amount authorized hereunder.

Section 7: Execution and Delivery of Note. The Note shall be executed in the name of the Issuer by its Mayor and attested by its City Clerk, subject to the approval of the City Attorney as to form and correctness, and the corporate seal of the Issuer or a facsimile thereof shall be affixed thereto or reproduced thereon. In case any one or more of the officers of the Issuer who shall have signed or sealed the Note shall cease to be such officer or officers of the Issuer before the Note so signed and sealed shall have been actually sold and delivered, such Note may nevertheless be sold and delivered as if the persons who signed or sealed such Note had not ceased to hold such offices. The Note may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such Note shall hold the proper office, although at the date of such execution of the Note such person may not have held such office or may not have been so authorized.

Section 8: Registration and Exchange of the Note; Persons Treated as Owner. The Note is initially registered to the Lender. So long as the Note shall remain unpaid, the Issuer will keep books for the registration and transfer of the Note. The Note shall be transferable only upon such registration books. Notwithstanding anything herein to the contrary, the Note may be exchanged or transferred by the Lender, in whole and not in part; *provided*, however, such transfers shall be only to a Permitted Lender.

The Person in whose name the Note shall be registered shall be deemed and regarded as the absolute Owner thereof for all purposes, and payment of principal and interest on such Note shall be made only to or upon the written order of the Owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

Section 9: Payment of Principal and Interest; Limited Obligation. The Issuer promises that it will promptly pay the principal of and interest on the Note at the place, on the dates and in the manner provided therein according to the true intent and meaning hereof and

thereof. The Note is secured by a pledge of and lien upon the Pledged Revenues in the manner and to the extent described herein. The Note shall not be or constitute a general obligation or indebtedness of the Issuer as a "bond" within the meaning of Article VII, Section 12 of the Constitution of Florida, but shall be payable solely from the Pledged Revenues in accordance with the terms hereof. No Owner of the Note issued hereunder shall ever have the right to compel the exercise of any ad valorem taxing power or the use of ad valorem tax revenues to pay such Note, or be entitled to payment of such Note from any funds of the Issuer except from the Pledged Revenues as described herein.

Section 10: *Covenant to Budget and Appropriate.* (A) Subject to the next paragraph, the Issuer covenants and agrees and has a positive and affirmative duty to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues, and to deposit into the Debt Service Fund hereinafter created, amounts sufficient to pay principal of and interest on the Note and other amounts payable hereunder not being paid from other amounts as the same shall become due. Such covenant and agreement on the part of the Issuer to budget, appropriate and deposit such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated, deposited and actually paid. No lien upon or pledge of such budgeted Non-Ad Valorem Revenues shall be in effect until such monies are budgeted, appropriated and deposited as provided herein. The Issuer further acknowledges and agrees that the obligations of the Issuer to include the amount of such amendments in each of its annual budgets and to pay such amounts from Non-Ad Valorem Revenues may be enforced in a court of competent jurisdiction in accordance with the remedies set forth herein.

Until such monies are budgeted, appropriated and deposited as provided herein, such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the Issuer from pledging in the future its Non-Ad Valorem Revenues (except as provided in Section 19 hereof), nor does it require the Issuer to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Owner of the Note a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the Issuer. Such covenant to budget and appropriate Non-Ad Valorem Revenues is subject in all respects to the prior payment of obligations secured by a lien on and pledge of specific components of the Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on bonds and other debt instruments). Anything in this Resolution to the contrary notwithstanding, it is understood and agreed that all obligations of the Issuer hereunder shall be payable solely from the portion of Non-Ad Valorem Revenues budgeted, appropriated and deposited as provided for herein and nothing herein shall be deemed to pledge ad valorem tax power or ad valorem taxing revenues or to permit or constitute a mortgage or lien upon any assets owned by the Issuer and no holder of the Note nor any other person, may compel the levy of ad valorem taxes on real or personal property within the boundaries of the Issuer or the use or application of ad valorem tax revenues in order to satisfy any payment obligations hereunder or to maintain or continue any of the activities of the Issuer which generate user service charges, regulatory fees, or any other Non-Ad Valorem Revenues. Notwithstanding any provisions of this Resolution or the Note to the contrary, the Issuer shall never be obligated to maintain or continue

any of the activities of the Issuer which generate user service charges, regulatory fees or any Non-Ad Valorem Revenues. The Issuer is prohibited by law from expending moneys not appropriated or in excess of its current budgeted revenues and surpluses. Until such monies are budgeted, appropriated and deposited as provided herein, neither this Resolution nor the obligations of the Issuer hereunder shall be construed as a pledge of or a lien on all or any legally available Non-Ad Valorem Revenues of the Issuer, but shall be payable solely as provided herein subject to the availability of Non-Ad Valorem Revenues after satisfaction of funding requirements for obligations having an express lien on or pledge of such revenues and funding requirements for essential governmental services of the Issuer.

There is hereby created and established the "City of St. Petersburg, Florida Non-Ad Valorem Revenue Note, Series 2022 Debt Service Fund," which fund shall be a trust fund held by the Chief Financial Officer, which shall be held solely for the benefit of the Owner of the Note. The Debt Service Fund shall be deemed to be held in trust for the purposes provided herein for such Debt Service Fund. The money in such Debt Service Fund shall be continuously secured in the same manner as state and municipal deposits are authorized to be secured by the laws of the State. The designation and establishment of the Debt Service Fund in and by this Resolution shall not be construed to require the establishment of a completely independent, self-balancing fund as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues and assets of the Issuer for certain purposes and to establish certain priorities for application of such revenues and assets as herein provided. The Issuer may at any time and from time to time appoint one or more depositories to hold, for the benefit of the Owner of the Note, the Debt Service Fund established hereby. Such depository or depositories shall perform at the direction of the Issuer the duties of the Issuer in depositing, transferring and disbursing moneys to and from such Debt Service Fund as herein set forth, and all records of such depository in performing such duties shall be open at all reasonable times to inspection by the Issuer and its agent and employees. Any such depository shall be a bank or trust company duly authorized to exercise corporate trust powers and subject to examination by federal or state authority, of good standing, and having a combined capital, surplus and undivided profits aggregating not less than fifty million dollars (\$50,000,000).

(B) Until applied in accordance with this Resolution, the Non-Ad Valorem Revenues of the Issuer on deposit in the Debt Service Fund and other amounts on deposit from time to time therein, plus any earnings thereon, are pledged to the repayment of the Note. The Issuer does further covenant and represent that it has the power under the Act to irrevocably pledge the Pledged Revenues to the payment of the principal and interest on the Note and that the pledge of the Pledged Revenues in the manner provided herein shall not be subject to repeal, modification or impairment, by any subsequent resolution, ordinance or other proceeding of the Issuer without the written consent of the Owner.

Section 11. Application of Proceeds of Note. The proceeds received from the sale of the Note shall be applied by the Issuer simultaneously with the delivery of the Note to the Lender, as follows:

(1) The Issuer shall pay all costs and expenses in connection with the preparation, issuance and sale of the Note; and

(2) Remaining proceeds shall be deposited in the Project Fund.

The Issuer covenants and agrees to establish a special fund to be designated "City of St. Petersburg, Florida Non-Ad Valorem Revenue Note, Series 2022, Project Fund." The designation and establishment of the Project Fund by this Resolution shall not be construed to require the establishment of a completely independent, self-balancing fund as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain assets of the Issuer for certain purposes and to establish certain priorities for application of such assets as herein provided. Amounts on deposit from time to time in the Project Fund, plus any earnings thereon, are pledged to the repayment of the Note. Costs of the Project will be paid from the Project Fund.

Section 12: Tax Covenant. The Issuer covenants to the Owner of the Note provided for in this Resolution that the Issuer will not make any use of the proceeds of the Note at any time during the term of the Note which, if such use had been reasonably expected on the date the Note was issued, would have caused such Note to be an "arbitrage bond" within the meaning of the Code. The Issuer will comply with the requirements of the Code and any valid and applicable rules and regulations promulgated thereunder necessary to ensure the exclusion of interest on the Note from the gross income of the holders thereof for purposes of federal income taxation.

Section 13: Amendment. This Resolution shall not be modified or amended in any respect subsequent to the issuance of the Note, except with the written consent of the Owner of the Note.

Section 14: Limitation of Rights. With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Note is intended or shall be construed to give to any person other than the Issuer and the Owner any legal or equitable right, remedy or claim under or with respect to this Resolution or any covenants, conditions and provisions herein contained. This Resolution and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the Issuer and the Owner.

Section 15: Note Mutilated, Destroyed, Stolen or Lost. In case the Note shall become mutilated, or be destroyed, stolen or lost, the Issuer shall issue and deliver the new Note of like tenor as the Note so mutilated, destroyed, stolen or lost, in exchange and in substitution for such mutilated Note, or in lieu of and in substitution for the Note destroyed, stolen or lost and upon the Owner furnishing the Issuer proof of ownership thereof and a lost bond affidavit, including the acknowledgment that there are no further obligations in respect to the mutilated, destroyed, stolen or lost Note, as applicable, and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such reasonable expenses as the Issuer may incur. The Note so surrendered shall be canceled.

Section 16: *Impairment of Contract.* The Issuer covenants with the Owner of the Note that it will not, without the written consent of the Owner of a majority in outstanding principal amount of the Note, enact any ordinance or adopt any resolution which repeals, impairs or amends in any manner adverse to the Owner the rights granted to the Owner of the Note hereunder.

Section 17: *Financial Information.* Not later than 270 days following the close of each Fiscal Year, the Issuer shall provide the Owner of the Note with an electronic copy of its Comprehensive Annual Financial Report including annual financial statements for each Fiscal Year of the Issuer, prepared in accordance with applicable law and generally accepted accounting principles. In addition, the Issuer shall provide to the Owner of the Note the Issuer's annual budget ordinance within 30 days of its enactment, and such other financial and budget information as may be reasonably requested by the Owner from time to time. All accounting terms not specifically defined or specified herein shall have the meanings attributed to such terms under generally accepted accounting principles as in effect from time to time, consistently applied.

Section 18: *Events of Default; Remedies of Owner of the Note.* The following shall constitute "Events of Default": (i) if the Issuer fails to pay any payment of principal or interest on the Note or any other amounts owing hereunder as the same becomes due and payable; (ii) if the Issuer defaults in the performance or observance of any covenant or agreement contained in this Resolution or the Note (other than set forth in (i) above) and fails to cure the same within thirty (30) days from the earlier of (a) following notice thereof or (b) from the date when the Issuer was required under the immediately succeeding paragraph to provide notice thereof to the Owner; (iii) if the Issuer defaults in the performance or observance of any representations or warranties listed herein or in the Note; (iv) if this Resolution or the Note is determined to be unenforceable; (v) filing of a petition by or against the Issuer relating to bankruptcy, insolvency, declaration of financial emergency, reorganization, arrangement or readjustment of debt of the Issuer or for any other relief relating to the Issuer under the United States Bankruptcy Code, as amended, or any other insolvency act or law now or hereafter existing, or the involuntary appointment of a receiver or trustee for the Issuer, and the continuance of any such event for 90 days undismissed or undischarged; (vi) if the Issuer refuses to honor its obligations under this Resolution or the Note; or (vii) if a default or acceleration (including a mandatory tender or right of holder of such debt to tender upon such default) of the outstanding principal is declared with respect to the Issuer's other outstanding indebtedness secured by a covenant to budget and appropriate the Non-Ad Valorem Revenues.

The Issuer shall, within five (5) days after it acquires knowledge of the happening, occurrence, or existence of any Event of Default, notify the Owner in writing at its notice address provided in Section 30 hereof. Such notice shall include a detailed statement by a responsible employee of the Issuer of all relevant facts and the action being taken or proposed to be taken by the Issuer with respect thereto. Regardless of the date of receipt of such notice by the Owner, such date shall not in any way modify the date of occurrence of the actual Event of Default.

Upon the occurrence and during the continuation of any Event of Default, the Owner of the Note may, in addition to any other remedies set forth in this Resolution or the Note, either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent

jurisdiction, protect and enforce any and all rights under the laws of the State, or granted or contained in this Resolution, and may enforce and compel the performance of all duties required by this Resolution, or by any applicable statutes to be performed by the Issuer.

In case of (a) an Event of Default pursuant to clause (i) above and upon written declaration of the Owner of the Note, or (b) upon the acceleration of any other debt of the Issuer which is secured by a covenant to budget and appropriate Non-Ad Valorem Revenues of the Issuer, the entire debt then remaining unpaid under the Note shall be immediately due and payable.

Section 19: *Anti-Dilution Test.* The Issuer may incur additional debt secured by all or a portion of the Non-Ad Valorem Revenues only if the total amount of Non-Ad Valorem Revenues for the prior Fiscal Year were at least 2.00 times the maximum annual debt service of all debt to be paid from Non-Ad Valorem Revenues (collectively, "Debt"), including any Debt payable from one or several specific revenue sources.

For purposes of calculating maximum annual debt service if the terms of the Debt are such that interest thereon for any future period of time is to be calculated at a rate which is not then susceptible of precise determination ("Variable Rate Debt"), interest on such Variable Rate Debt shall be computed as follows:

(a) if the principal amount of Variable Rate Debt (including any Variable Rate Debt proposed to be incurred) is less than or equal to 25% of the principal amount of all Debt (including the Debt proposed to be incurred), an interest rate equal to the higher of 12% per annum or The Bond Buyer 40 Index shall be assumed; or

(b) if the principal amount of Variable Rate Debt (including any Variable Rate Debt proposed to be incurred) is more than 25% of the principal amount of all Debt (including the Debt proposed to be incurred), the maximum rate which could be borne by such Variable Rate Debt shall be assumed.

For purposes of calculating maximum annual debt service, balloon indebtedness shall be assumed to amortize in up to 20 years (from the date of calculation) on a level debt service basis. In the event that the Issuer is required to fund a reserve fund, the funding of such reserve fund shall be included in the calculation of debt service. For purposes of this paragraph, "balloon indebtedness" includes indebtedness if 25% or more of the principal amount thereof comes due in any one year.

Section 20: *No Advisory or Fiduciary Relationship.* In connection with all aspects of the transaction contemplated hereunder (including in connection with any amendment, waiver or other modification hereof or of any other documents related hereto), the Issuer acknowledges and agrees, that: (a) (i) it has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, (ii) it is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and any other loan documents, (iii) the Lender is not acting as a municipal advisor or financial advisor to the Issuer and (iv) the Lender has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act

to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Lender has provided other services or is currently providing other services to the Issuer on other matters); (b) (i) the Lender is and has been acting solely as a principal in an arm's length commercial lending transaction and has not been, is not, and will not be acting as an advisor, agent or fiduciary, for the Issuer, or any other person and (ii) the Lender has no obligation to the Issuer, with respect to the transaction contemplated hereby except those obligations expressly set forth herein and in the Note; (c) notwithstanding anything herein to the contrary, it is the intention of the Issuer and the Lender that the loan documents represent a commercial loan transaction not involving the issuance and sale of a municipal security, and that any bond, note or other debt instrument that may be delivered to the Lender is delivered solely to evidence the repayment obligations of the Issuer under the loan document; and (d) the Lender may be engaged in a broad range of transactions that involve interests that differ from those of the Issuer, and the Lender has no obligation to disclose any of such interests to the Issuer. To the fullest extent permitted by law, the Issuer hereby waives and releases any claims that it may have against the Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of the transaction contemplated hereby. The Issuer has engaged PFM Financial Advisors LLC as a municipal advisor in this transaction with legal fiduciary duties to the Issuer. The transaction contemplated herein and the Note is delivered, pursuant to and in reliance upon the bank exemption and/or the institutional buyer exemption provided under the municipal advisor rules of the Securities and Exchange Commission, Rule 15Ba1-1 et seq, to the extent that such rules apply to the transaction contemplated hereunder; *provided*, however, the Issuer makes no representation with respect to the applicability of such rules.

Section 21: Patriot Act Notice. The Issuer hereby acknowledges that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 signed into law October 26, 2001) (the "Patriot Act"), the Lender may be required to obtain, verify and record information that identifies the Issuer, which information includes the name and address of the Issuer and other information that will allow the Lender to identify the Issuer in accordance with the Patriot Act.

Section 22: Severability. If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this Resolution or of the Note issued thereunder.

Section 23: Business Days. In any case where the due date of interest on or principal of Note is not a Business Day, then payment of such principal or interest need not be made on such date but may be made on the next succeeding Business Day, provided that credit for payments made shall not be given until the payment is actually received by the Owner.

Section 24: Applicable Provisions of Law. This Resolution shall be governed by and construed in accordance with the laws of the State.

Section 25: *Rules of Interpretation.* Unless expressly indicated otherwise, references to sections or articles are to be construed as references to sections or articles of this instrument as originally executed. Use of the words "herein," "hereby," "hereunder," "hereof," "hereinafter," "hereinafter" and other equivalent words refer to this Resolution and not solely to the particular portion in which any such word is used.

Section 26: *Captions.* The captions and headings in this Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Resolution.

Section 27: *Members of the City Council Not Liable.* No covenant, stipulation, obligation or agreement contained in this Resolution shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the Issuer in his or her individual capacity, and neither the members of the City Council nor any person executing the Note shall be liable personally on the Note or this Resolution or shall be subject to any personal liability or accountability by reason of the issuance or the execution of the Note or this Resolution.

Section 28: *Authorizations.* The members of the City Council, the Mayor, the City Administrator, the Chief Financial Officer, the City Attorney, the City Clerk and any other employees of the Issuer are hereby authorized to perform all acts and things required of them by this Resolution or desirable or consistent with the requirements hereof for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Note and this Resolution, and they are hereby authorized to execute and deliver all documents which shall be required by Note Counsel or the Lender to effectuate the sale of the Note. All action taken to date by the members of the City Council, the Mayor, the City Administrator, the Chief Financial Officer, the City Attorney, the City Clerk and any other employees of the Issuer in furtherance of the issuance of the Note is hereby approved, confirmed and ratified.

Section 29: *Governing Law; Jury Trial Waiver: Applicable Law and Venue.* This Resolution and the Note shall be governed by the laws of the State of Florida. The Issuer and the Owner, by acceptance of the Note, knowingly, voluntarily, and intentionally waive any right either may have to a trial by jury, with respect to any litigation or legal proceedings based on or arising out of this Resolution or the Note. In the event of any legal proceeding arising out of or related to the Note, the Issuer and the Owner, by acceptance of the Note, each waive any objections to venue for any action brought in state court lying in Pinellas County, St. Petersburg Division. The Issuer and the Owner, by acceptance of the Note, also each waive any objection to venue for any action brought in federal court lying in the Middle District of Florida, Tampa Division. The Owner, by acceptance of the Note, and the Issuer each consent to the personal jurisdiction of the aforementioned courts and irrevocably waive any objections to said jurisdiction.

Section 30: *Notices.* Any notice or other communication to be given to the Lender under this Resolution shall be given by delivering the same in writing to the Principal Office or such other address as the Owner may designate to the Issuer in writing.

Section 31: Superseding of Inconsistent Resolutions. This Resolution supersedes all prior action of City Council inconsistent herewith. All resolutions or parts thereof in conflict herewith are hereby superseded to the extent of such conflict.

Section 32: Effective Date. This Resolution shall become effective immediately upon its adoption.

LEGAL:

Michael Ny

DEPARTMENT:

Anne A. Fritz
