



Legislation Details (With Text)

File #: 22-0938
Type: Public Hearing
Status: Passed
In control: Board of County Commissioners
On agenda: 6/21/2022
Final action: 6/21/2022
Title: CONSIDER A RESOLUTION AUTHORIZING THE ISSUANCE OF MARTIN COUNTY, FLORIDA REVENUE REFUNDING BONDS (FLORIDA POWER & LIGHT COMPANY PROJECT), SERIES 2022, (THE "SERIES 2022 BONDS"), IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$95,700,000

Sponsors:

Indexes:

Code sections:

Attachments: 1. Martin - 2022 FPL PFM Financing Report.pdf, 2. 2022 Martin - 17 Authorizing Resolution.pdf

Date	Ver.	Action By	Action	Result
6/21/2022	1	Board of County Commissioners	approved	Pass

PLACEMENT: Public Hearings

TITLE:

CONSIDER A RESOLUTION AUTHORIZING THE ISSUANCE OF MARTIN COUNTY, FLORIDA REVENUE REFUNDING BONDS (FLORIDA POWER & LIGHT COMPANY PROJECT), SERIES 2022, (THE "SERIES 2022 BONDS"), IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$95,700,000

EXECUTIVE SUMMARY:

Florida Power & Light Company ("FPL") requests that the County consider approval of the issuance of revenue refunding bonds, secured solely by loan repayments from FPL under a Loan Agreement with the County, in order to provide for the refinancing of outstanding pollution control revenue refunding bonds previously issued by the County to assist in the refinancing of pollution control facilities at FPL's Martin Plant.

DEPARTMENT: County Attorney

PREPARED BY: **Name:** Sarah W. Woods
Title: County Attorney

REQUESTED BY: FPL

PRESET:

PROCEDURES: None

BACKGROUND/RELATED STRATEGIC GOAL:

Background: The County has previously issued its Pollution Control Revenue Refunding Bonds (Florida Power & Light Project), Series 2000 in the aggregate principal amount of \$95,700,000 (collectively, the “Outstanding Pollution Control Bonds”), the proceeds of which were used to refund then outstanding pollution control revenue bonds previously issued by the County (the “Prior Pollution Control Bonds”). The proceeds of the Prior Pollution Control Bonds were loaned to FPL to finance or refinance the cost of certain pollution control facilities at FPL’s Martin Plant. No revenues of the County are or were pledged to the repayment of the Prior Pollution Control Bonds or the Outstanding Bonds. FPL has now requested that the County approve a plan of finance to provide for the refinancing of the Outstanding Pollution Control Bonds and to authorize at this time the issuance of Pollution Control Revenue Refunding Bonds in an aggregate amount of \$95,700,000.

The Internal Revenue Code of 1986, as amended (the “Code”), permits the issuance of bonds by the County to refinance the Outstanding Pollution Control Bonds on a tax-exempt basis. Prior to the issuance of any such bonds, however, the County must hold a public hearing to receive public comment on the project to be financed (or refinanced) through the issuance of such bonds and the bond issue. Notice of this public hearing will be published in The Stuart News at least 7 days prior to the meeting.

The proposed resolution (1) approves the plan of finance for the refinancing the Outstanding Pollution Control Bonds pursuant to Section 147(f) of the Code, and (2) authorizes \$95,700,000 in Pollution Control Revenue Refunding Bonds (Florida Power & Light Project) Series 2022 to be issued at this time. The authorization of the Series 2022 Bonds includes authorization to enter into a Loan Agreement with FPL, a Trust Indenture with The Bank of New York Mellon Trust Company, N.A., and Underwriting Agreement with Morgan Stanley & Co. LLC and authorizes the use of an Official Statement with respect to the marketing of the bonds and other agreements necessary in connection with the issuance of the Series 2022 Bonds (collectively, the “Bond Documents”). The resolution provides full authority for the issuance of the Series 2022 Bonds. The issuance of this type of bond does not require a private activity bond volume cap allocation from the State of Florida.

Purpose of Bonds: The proceeds of the bonds will be used solely to pay the principal of the Outstanding Pollution Control Bonds upon redemption. All closing expenses will be paid separately by FPL.

Benefits to Martin County: FPL is a significant provider of electric power to residents of the County and is an important employer within the County.

Cost to Martin County: None. Any bonds issued by the County to refinance the Outstanding Pollution Control Bonds will not be a debt or liability of the County but will be payable from and secured solely by loan repayments to be made by FPL under a loan agreement to be entered into by the County and FPL. Bondholders shall never have the right to compel the exercise of ad valorem taxation by the County for their payment and the County shall never be compelled or required to expend any of its funds for such purpose.

Attached is a report of PFM Financial Advisors LLC, the County’s Financial Advisor.

ISSUES:

None

LEGAL SUFFICIENCY REVIEW:

Duane Draper, Bond Counsel to the County, has reviewed and approved this agenda item and the accompanying resolution.

RECOMMENDED ACTION:

RECOMMENDATION

Based upon the satisfaction of the applicable financing guidelines in the County's conduit bond policy, including the review by the County's Bond Counsel and the review and findings of the County's Financial Advisor with respect to the financial feasibility, security and manner of sale of the proposed financing, move that the Board (1) approve the Resolution approving the issuance of the Bonds (2) approve the form of, as well as the execution and delivery of the Loan Agreement, the Underwriting Agreement, the Official Statement and the Trust Indenture and authorize the Chairman to execute all of the above listed documents as well as any necessary related documents.

ALTERNATIVE RECOMMENDATIONS

Move that the Board provide direction to staff for revisions to the proposed Resolution; provided, however, that the Commission is not required to adopt the Resolution if it so chooses.

FISCAL IMPACT:

RECOMMENDATION

None

ALTERNATIVE RECOMMENDATIONS

None

DOCUMENT(S) REQUIRING ACTION:

- | | | |
|--|---------------------------------------|--|
| <input type="checkbox"/> Budget Transfer / Amendment | <input type="checkbox"/> Chair Letter | <input type="checkbox"/> Contract / Agreement |
| <input type="checkbox"/> Grant / Application | <input type="checkbox"/> Notice | <input checked="" type="checkbox"/> Resolution |
| <input type="checkbox"/> Other: | | |

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