

August 30, 2019

The Honorable Chair and  
Board of County Commissioners  
Manatee County, Florida  
1112 Manatee Avenue  
Bradenton, Florida 34205

Ladies and Gentlemen:

Public Resources Advisory Group (“PRAG”) is serving as Financial Advisor in connection with the County’s issuance of not to exceed \$70,000,000 Revenue Improvement and Refunding Bonds, Series 2019 (Transportation Projects) and Revenue Refunding Bonds, Series 2019 (ESCO Project), (collectively, the “Series 2019 Bonds”). The Transportation Project bonds are being issued to (i) redeem the County’s \$36 million fully funded line of credit with Bank of America, (ii) finance the costs associated with the 44<sup>th</sup> Avenue project, and (iii) pay costs of issuance. The ESCO Project bonds are being issued to (i) refund the County’s outstanding ESCO debt and (ii) pay costs of issuance.

As Financial Advisor, PRAG recommends that the Series 2019 Bonds be sold on a negotiated basis subject to the satisfaction of the parameters set for in Resolution No. 19-108. The parameters are as follows:

(i) the par amount of the Series 2019 Bonds is not in excess of \$70,000,000, (ii) the true interest cost rate of the Series 2019 Bonds is not more than 4.50%, (iii) the Series 2019 Bonds have a first optional redemption date not later than October 1, 2029 at an initial redemption price of not greater than 102%, (iv) the last maturity of the Transportation Project bonds is not later than October 1, 2049 and the last maturity of the ESCO Project bonds is not greater than October 1, 2033, (v) the underwriting discount (exclusive of any original issue discount or original issue premium) is not greater than \$4.50 per thousand of the original principal amount of the Series 2019 Bonds, and (vi) the completed disclosures required pursuant to Section 218.385, Florida Statutes have been delivered by the Underwriters.

PRAG will provide the County with the actual terms of the Series 2019 Bonds upon pricing and confirm that the final terms are within the above-referenced parameters.

The refunding of the ESCO debt is currently projected to produce net present value savings of just under \$1.3 million, representing 12.3% of the par amount of bonds refunded. Final savings will depend on market conditions at the time of sale.



We are recommending a negotiated sale based on the desire of the County to provide greater flexibility in structuring the debt service on the Transportation Bonds and the savings on the ESCO Project bonds. A negotiated sale will allow the County to better control timing, pre-marketing, structure and pricing of the bonds. The County previously selected Raymond James & Associates, Inc. as senior manager and BofA Securities, Inc. and FTN Financial Capital Markets as co-managers through an RFP process.

We have requested ratings on the Series 2019 bonds from Moody's and Fitch and we expect ratings to be such that credit enhancement will not add value; therefore, we recommend that the Series 2019 Bonds be sold without credit enhancement.

Sincerely,

PUBLIC RESOURCES ADVISORY GROUP

A handwritten signature in blue ink that reads "Wendell G. Gaertner". The signature is written in a cursive style and is contained within a thin black rectangular border.

Wendell Gaertner  
Senior Managing Director