



May 2, 2024

## Memorandum

To: Frank Abbate, County Manager  
Morris Richardson, County Attorney

From: Jay Glover, Managing Director – PFM Financial Advisors LLC

Re: Review of Financing Structure for the Industrial Development Revenue and Refunding Bonds (Central Florida YMCA Project), Series 2024

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It is our understanding that the Orange County Industrial development Authority (the "Authority") issued its Industrial Development Revenue and Refunding Bonds (Central Florida YMCA Project), Series 2014 (the "Refunded Bonds") and loaned the proceeds thereof to the Central Florida Young Men's Christian Association, Inc., a Florida not-for-profit corporation (the "Borrower") to finance or refinance the acquisition, construction, renovation and equipping of social service center facilities located in Orange County, Florida, and certain other counties (collectively, the "Refunded Projects"), including social service center facilities located in Brevard County at 2400 Harrison Street, Titusville, Florida (the "Brevard Project"). The Borrower has now requested that the Authority issue not to exceed \$18,000,000 Industrial Development Revenue and Refunding Bonds (Central Florida YMCA Project), Series 2024 (the "2024 Bonds") and lend the proceeds to the Borrower to refinance the obligations of the Borrower with respect to, and to currently refund, the Refunded Bonds, as well as to refinance the projects financed and refinanced with the Refunded Bonds, including the social service facilities located in Brevard County. To issue tax-exempt bonds, the Authority must receive the limited approval of the Brevard County Board of County Commissioners as required by applicable federal tax law.

As financial advisor to Brevard County, Florida (the "County"), PFM Financial Advisors LLC (PFM) has been asked to certify that the 2024 Bonds will meet or exceed the County's debt issuance guidelines, which require an investment grade underlying credit rating for publicly offered bonds, provided however that unrated bonds may be approved by the County if they are sold only to institutional investors in minimum denominations of \$100,000. We have also been asked to ensure that the proposed transaction will not have a negative financial impact on the County, impair the County's credit ratings or impact the County's ability to issue debt in the future.

The Borrower and its representatives have indicated that Seacoast Bank has provided a commitment to enter into a direct placement loan to be evidenced by the 2024 Bonds. The 2024 Bonds will be structured in two tranches – a tax-exempt portion for approximately 95% of the transaction, and a taxable series for the remainder. The tax-exempt series will bear interest at a fixed interest rate of 4.60% for a 15-year term, amortized over 25 years, with an interest-only period for the first 24 months. The taxable series will bear interest at a fixed interest rate of 5.41% for a 15-year term, amortized over 25 years, with an interest-only period for the first 36 months. Principal and interest payment will be made quarterly, and the YMCA will have the option to prepay the 2024 Bonds after five (5) years without penalty. Therefore, it is PFM's opinion that the 2024 Bonds will meet the criteria required by the County, given they are being issued as a direct placement loan with Seacoast Bank. The 2024 Bonds are payable solely from revenues of the Borrower. We have also reviewed the relevant documentation and based on that review can



confirm that the proposed issuance of the 2024 Bonds will not have a negative financial impact on the County.

PFM did not prepare or review any type of feasibility report related to the Borrower's ability to pay debt service on the 2024 Bonds and has no responsibility to do so. PFM also bears no liability for potential errors in the information provided by the Borrower or its' representatives.