



July 15, 2021

## Memorandum

To: Frank Abbate, County Manager  
Christine M. Schverak, Assistant County Attorney

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

Re: Review of Financing Structure for the Capital Trust Agency Educational Facilities Revenue Bonds (Pineapple Cove Classical Academy at Lockmar, Inc. Project), Series 2021

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The Capital Trust Agency (the "Agency") is proposing to issue not to exceed \$24,000,000 Educational Facilities Revenue Bonds (Pineapple Cove Classical Academy at Lockmar, Inc. Project), Series 2021 (the "Bonds"), the proceeds of which will be loaned to Pineapple Cove Classical Academy at Lockmar, Inc., a Florida not for profit corporation (the "Borrower"). The proceeds of the Bonds will be used to finance or refinance, including through reimbursement (i) (A) the acquisition of approximately 10 acres of land, (B) the renovation of four existing buildings consisting of a total of approximately 54,000 square feet for the purpose of providing 15 classrooms, administrative offices, a gym, and four specialty classrooms, including related facilities, fixtures, furnishings and equipment, and (C) the acquisition, construction and equipping of a new approximately 30,000 square foot, two-story building consisting of 23 classrooms, a multi-purpose room and administrative offices, including related facilities, fixtures, furnishings and equipment, minor sports fields, additional parking and adjacent road improvements, to the extent deemed necessary, all to be known as Pineapple Cove Classical Academy at Lockmar, a public charter school serving grades K – 8, to be located at 720 Emerson Drive NE, Palm Bay, Florida 32907; (ii) the funding of a debt service reserve fund for the Bonds, if deemed necessary or desirable by the Borrower; (iii) the funding of capitalized interest for the Bonds, if deemed necessary or desirable by the Borrower; and (iv) the payment of certain costs of issuing the Bonds (collectively, the "Project").

In order to comply with certain Federal and State law requirements, as applicable, with respect to the issuance of private activity bonds such as the Bonds, the Agency has requested that the Brevard County Board of County Commissioners (BOCC) hold a TEFRA public hearing with respect to the issuance of the Bonds, and to adopt a resolution providing limited approval of the issuance of the Bonds. You have asked PFM Financial Advisors LLC, as Financial Advisor to the County, to review the documentation provided to the County as well as the proposed financing structure to ensure that the proposed transaction will not have a financial impact on the County, impair the County's credit ratings or impact the County's ability to issue debt in the future.

We have reviewed all of the relevant documentation as well as the proposed financing structure and based on that review, can confirm that the proposed issuance of the Bonds will not have any negative impact on the County. The County will have absolutely no liability with respect to the Project or to pay principal of or interest on the Bonds. The Bonds will be sold via a negotiated limited public offering, with Truist Securities, Inc. serving as the underwriter. It is our understanding that the Bonds will possess an investment grade credit ratings and/or be sold in minimum denominations of \$100,000 to one or more accredited investors and/or qualified institutional buyers.



Given that the County is not the issuer of the Bonds and there is no financial obligation on the part of the County, PFM has not been asked to review any financial information related to the Borrower's ability to repay the Bonds as part of the scope of this engagement.