



**Hillsborough County
RFP 23417
Financial Advisory Services
July 26, 2022**

Submitted by:



Public Resources Advisory Group, Inc.

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PUBLIC RESOURCES ADVISORY GROUP

Disclosure of Conflicts of Interest and Legal or Disciplinary Events (G-42) Pursuant to Municipal Securities Rulemaking Board ("MSRB") Rule G-42, on Duties of Non-Solicitor Municipal Advisors, Municipal Advisors are required to make certain written disclosures to clients which include, among other things, conflicts of interest and any legal or disciplinary events of Public Resources Advisory Group, Inc. ("PRAG") and its associated persons. Accordingly, PRAG makes the following general disclosures with respect to conflicts of interest.

Conflicts of Interest (G-42)

Compensation-Based Conflicts: PRAG's compensation may include a single or a variety of fee structures. Each of these arrangements may create a conflict as defined by MSRB Rule G-42. PRAG's fees may be based on the size of the issue, and the payment of such fees may be contingent upon the delivery of the issue. While this form of compensation is customary in the municipal securities market, this may present a potential conflict of interest because it could create an incentive for PRAG to recommend unnecessary financings or financings that are disadvantageous to the client.

PRAG may also charge fees in a fixed amount as a retainer for services or as a transaction fee, and this arrangement could provide PRAG an incentive to recommend less time-consuming alternatives or fail to do a thorough analysis of the alternatives. In addition, fees may be paid based on hourly fees of PRAG's personnel, with the aggregate amount equaling the number of hours worked by such personnel times agreed-upon hourly billing rate(s). This presents a potential conflict of interest because PRAG may have the incentive to spend more time than necessary on an engagement. If the hourly fees are subject to a maximum amount, the potential conflict of interest arises because of the incentive for PRAG to fail to do a thorough analysis of alternatives and/or recommend alternatives that would be less time-consuming for PRAG staff.

Other Municipal Advisor Relationships: PRAG serves a wide variety of other clients that may, from time to time, have interests that could have a direct or indirect impact on the interests of another PRAG client. These other clients may, from time to time and depending on the specific circumstances, have competing interests. In acting in the interests of its various clients, PRAG could potentially face a conflict of interest arising from these competing client interests.

With respect to all of the conflicts disclosed above, PRAG mitigates such conflicts through its adherence to its fiduciary duty to the client, which includes a duty of loyalty to the client in performing all municipal advisory activities. This duty of loyalty obligates PRAG to deal honestly and with the utmost good faith with you and to act in your best interests without regard to PRAG's financial or other interests.

If PRAG becomes aware of any additional potential or actual conflict of interest prior to, or during an engagement, PRAG will disclose the detailed information in writing within a timely manner.

Disclosure of Legal or Disciplinary Events (G-42)

PRAG has no legal or disciplinary events to disclose.

Other Required Disclosure (G-10)

The MSRB website at www.msrb.org, includes the Municipal Advisory client brochure that describes the protections that may be provided by the MSRB Rules and how to file a complaint with an appropriate regulatory authority.

July 26, 2022

Connie McGregor
Procurement Services
Hillsborough County
601 East Kennedy Boulevard, 25th Floor
Tampa, FL 33601

Public Resources Advisory Group, Inc. ("PRAG") is pleased to submit our proposal to continue to serve Hillsborough County (the "County") as its municipal advisor. Founded in 1985, PRAG is an independent financial, investment and swap advisory firm. PRAG provides independent and in-depth financial and investment advisory services to state and local governments, authorities and agencies and has continuously served governmental entities for the 37 years that our firm has been in business.

PRAG has served as municipal advisor to Hillsborough County continuously since 2012. During our most recent contract term with Hillsborough County, PRAG has provided the County with comprehensive and customized advisory services resulting in:

- Successful closing of \$860 billion of bond and bank loan financings to fund projects including general government, CIT, ELAPP, solid waste and water and wastewater.
- Successful closing of interim financing programs including commercial paper and lines of credit for general government purposes and for solid waste.
- Aggregate debt service savings of over \$40 million achieved through refunding transactions.
- Maintenance of the County's strong AAA Issuer Credit Ratings as well as its CIT and TDT ratings during the COVID-19 pandemic.
- Development and implementation of an Impact Fee Offset Credit Auction program.
- Development of new wastewater-only special assessment credit.
- Creation of multiple customized strategic and financial planning models, including developing and maintaining the long term financial models for both the County's 4th cent and the 5th cent Tourist Development Taxes.
- Expansion of services to include real estate development and P3 advisory services.

PRAG has experienced substantial growth in Florida since we formally presented our credentials to the County during the last RFP process in 2017. Since then, PRAG has added four senior advisors in Florida, bringing our professional staff to six senior advisors with a combined total of 150 years of public finance experience. Our newest team member, Monique Spotts, has 35 years of public finance experience as a bond attorney focused on Florida, bringing a unique perspective to our advisory services.

PRAG currently serves the County with a team of three senior advisors with direct interaction with the County. Wendell Gaertner serves as Project Supervisor. Wendell has been advising the County for almost a decade and has a strong institutional knowledge of the County's debt portfolio. Natalie Sidor and Mickey Johnston serve as Co-Project Managers and provide direct interaction with the County. Both have been advising the County for the past four years. In addition, Natalie covered the County from a banking/underwriting perspective from 2009 to 2018 while at her prior firm.

PRAG has proven the benefit of serving the County with three senior advisors last year when Hillsborough County had three different bond issues in process at the same time. All three were involved in each transaction, but Wendell took leadership in coordinating the Wastewater Impact Fee Assessment Special Assessment Revenue Bonds that closed in April. Concurrently Mickey provided primary coordination of the Capital Improvement Non-Ad Valorem Revenue Bonds that closed in May and Natalie did the same for the Utility Revenue Bonds that closed in July. By assigning three senior advisors to serve the County, PRAG can ensure sufficient resources are available to handle multiple financial needs of the County at the same time with the utmost professional services and attention.

As the County gears up financings for water and wastewater, solid waste and the Environmental Lands Acquisition and Protection Program, PRAG's experience, market presence, technical resources, quality of our advisors, and our familiarity with the County will allow the County to continue efficiently implementing its capital fundings plans.

We look forward to the opportunity to continue our relationship and thank you in advance for your consideration.

Sincerely,



Wendell Gaertner
Senior Managing Director
Project Supervisor



Natalie Sidor
Senior Managing Director
Co-Project Manager



Mickey Johnston
Managing Director
Co-Project Supervisor

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1.5.1.1. Describe any actual or possible conflict of interest situations which may result from the Bidder/Proposer acting as financial advisor to the County, including current or expected engagements with authorities, agencies, or other corporate or government bodies in the County or State of Florida, and engagements with political consultants or lobbyists. Examples of potential conflict situations include contractual relationships with the City of Tampa, Tampa Port Authority, Hillsborough County Aviation Authority, Tampa Sports Authority, Tampa Hillsborough County Expressway Authority, Tampa Bay Water, and the Housing Finance Authority of Hillsborough County.

PRAG has served as municipal advisor to Hillsborough County since 2012. PRAG also serves as municipal advisor to the City of Tampa and to the Tampa Sports Authority as well as a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of the County. In addition to the City of Tampa and the Tampa Sports Authority, we serve as municipal advisor to Manatee County and Pinellas County. These other clients may, from time to time and depending on the specific circumstances, have competing interests. In acting in the interests of its various clients, PRAG could potentially face a conflict of interest arising from these competing client interests.

MSRB Rule G-42 requires that municipal advisors provide to their clients disclosures relating to any actual or potential material conflicts of interest, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable. With respect to all of the conflicts disclosed above, PRAG mitigates such conflicts through its adherence to its fiduciary duty to the client, which includes a duty of loyalty to the client in performing all municipal advisory activities. This duty of loyalty obligates PRAG to deal honestly and with the utmost good faith with you and to act in your best interests without regard to PRAG's financial or other interests.

If PRAG becomes aware of any additional potential or actual conflict of interest prior to, or during an engagement, PRAG will disclose the detailed information in writing within a timely manner.

PRAG has provided advisory services to the County and other entities when their interests were aligned, such as our work with the County, the City of Tampa and the Tampa Sports Authority in development of financial plans and models for the proposed new MLB Stadium for the Rays and with the County and the City to develop a phantom tax increment district to allow reimbursement of certain of SPP's developmental costs for infrastructure in the \$4 billion Waters Street development in downtown Tampa.

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1.5.1.2. A summary describing at least five (5) years of demonstrated experience and expertise in similar engagements, including similarities in scope.

PRAG's best example of relevant demonstrated experience and expertise is our service as municipal advisor to Hillsborough County continuously since 2012. PRAG has been ranked as the #2 municipal advisor nationally in all aspects of the long-term new issue municipal market for eight of the past ten years, according to the market data firm Refinitiv (formerly Thomson Reuters). Last year we advised on the issuance of \$44.5 billion of long-term publicly traded municipal bonds. Our national ranking is an important demonstration of both our on-going presence in the market and the trust placed in us by major issuers of municipal debt. PRAG advises some of the largest municipal bond issuers in the country including the City of New York, the State of California, and the New York MTA. In 2021, PRAG advised the four largest issuers in the municipal market, the Dormitory Authority of New York State, the State of California, the Golden State Tobacco Securitization Corporation and the New York City Transitional Finance Authority.

PRAG has also been ranked as the #1 municipal advisor for competitive sales for each of the past five years. This is of special significance as a competitive sale is the preferred method of sale for the County. PRAG's demonstrated leadership in this method provides us with a comprehensive understanding of investor preferences as we structure the sale.

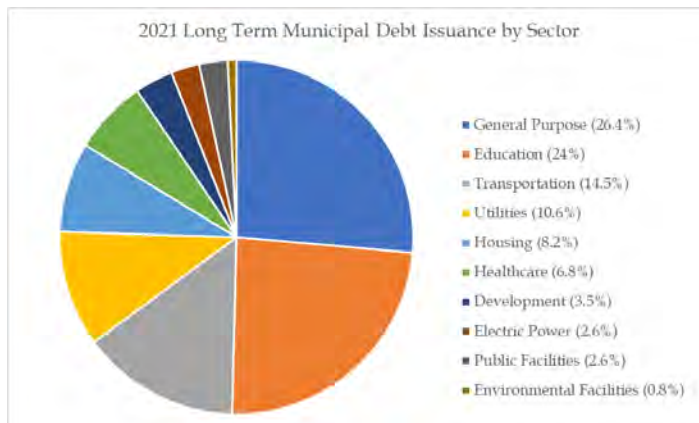
PRAG's Municipal Advisory Rankings (2017-2021)						
Year	Total Long Term Municipal Issuance Rankings		Competitive Sale Rankings		General Purpose Sector Rankings	
	Total*	Rank	Total*	Rank	Total*	Rank
2021	\$44.5	2	\$17.1	1	\$26.6	1
2020	\$43.4	2	\$13.5	1	\$22.6	2
2019	\$40.6	2	\$19.4	1	\$23.9	1
2018	\$36.1	2	\$17.4	1	\$22.5	1
2017	\$52.4	2	\$20.2	1	\$30.2	1

* Billions

Source: Refinitiv as compiled by The Bond Buyer

US municipal new issue "At7" short term notes, private placements, and deals not meeting T+5 policy rule are excluded.
Shared credit for co-financial advisors.

Perhaps of more importance to the County than our industry-wide ranking, however, is PRAG's ranking in the General Purpose sector of the municipal market, ranking #1 in six of the seven years that *The Bond Buyer* has been compiling the data in their year-end statistical review, according to Refinitiv as illustrated in the chart above. Our experience with the County's general purpose financings include its Capital Improvement Bonds, CIT Bonds, TDT Bonds, Court Facility Fee loan, ELAPP Bonds and its commercial paper program.



Refinitiv divides the municipal market into ten sectors representing the various purposes for which municipal bonds are issued:

- General Purpose
- Education
- Transportation
- Utilities
- Housing
- Healthcare
- Development
- Electric Power
- Public Facilities
- Environmental Facilities

While each of these sectors represent an important aspect of infrastructure, some of the market sectors, such as education, healthcare, and electric power have no connection with the everyday operations and financial needs of the County. Therefore, a firm's experience and ranking in those segments is of limited value when advising on the capital needs of the County.

We also recognize that the County, like many growing counties in Florida, has major needs in the areas of utilities, transportation, affordable housing and economic development. In addition to our general purpose experience, PRAG's Florida team has particular experience in these particular sectors, advising some of the most active Florida issuers in these areas.

UTILITY. We recognize that the County's utility represents the largest component of the County's debt portfolio. PRAG has advised Hillsborough County on \$345 million of utility debt since 2017. PRAG is currently working with the County on developing a financial plan for the funding of almost \$500 million of water and sewer projects in January. PRAG advises some of the largest utilities in Florida including Miami-Dade County Water and Sewer Department and the water and sewer utilities for Broward and Manatee Counties, the cities of Clearwater and Fort Myers as well as independent utilities including the Emerald Coast Utilities Authority and the Peace River Manasota Regional Water Authority. Nationally we advise major utilities including the Department of Water and Power of the City of Los Angeles, the Pittsburgh Water and Sewer Authority, the Santa Clara Water District, and the Metropolitan Water District of Southern California.

TRANSPORTATION. PRAG helped the County structure a large covenant to budget and appropriate bond issue last year to fund in large part the interchange at Big Bend Road. The financing was structured to allow future reimbursements from FDOT to be used to help alleviate the County's road paving backlog. In addition to acting as advisor on transportation improvement financings for the County, PRAG also acts as an advisor to FDOT, JTA, HART and Manatee County on transportation related financings. Nationally, PRAG advises some of the largest transportation issuers in the country including the Metropolitan Transportation Authority (MTA) in New York City, the Massachusetts Bay Transportation Authority, the Pennsylvania Turnpike Authority, the Triborough Bridge and Tunnel Authority, and the New York State Thruway Authority.

AFFORDABLE HOUSING. PRAG has helped the County evaluate affordable housing options and projects addressing homelessness issues. Marianne Edmonds and Wendell Gaertner have met with County Administration as well as leadership of Affordable Housing Services to explore options. PRAG advises

six local county housing finance authorities in Florida, including the largest local authority, the Housing Finance Authority of Miami-Dade County. PRAG is a participating member of the Florida Association of Local Housing Authorities and the National Association of Local Housing Finance Authorities. PRAG has used our affordable housing expertise to assist multiple Florida cities and counties in addressing their affordable housing needs.

ECONOMIC DEVELOPMENT. PRAG has advised the County on numerous economic development projects including assisting in the development and review of RFP's and Market Soundings for redevelopment of County land in Ybor, at the MOSI site and at the John F. Germany Library. PRAG also developed and implemented an Impact Fee Offset Auction, which allowed the County to reduce its outstanding liabilities and capture impact fee offsets for economic development purposes. PRAG has advised numerous issuers on Public-Private Partnerships, TIFs, PILOTs, real estate development transactions and stadium financings, including the District of Columbia, Anne Arundel County, Greater Richmond Convention Center, Hudson Yards Infrastructure Corporation, New York Convention Center Development Corporation, City of Atlanta, City of Los Angeles, City of Orlando, City of San Diego, City of Tampa, City of Virginia Beach, Battery Park City Authority, Fuller Road Management Corporation and the New York City Industrial Development Agency, among others. Other projects in Hillsborough County include assisting the County in developing RFP's for real estate redevelopment projects, review of unsolicited P3 proposals and special projects such as financial analysis of mosquito control helicopter alternatives. PRAG advised Broward County over the course of several years on its \$487 million issue of Tourist Development Tax Revenue Bonds, Series 2021 to fund a major expansion of its convention center and its \$389 million issue in April of its Convention Center Hotel First Tier Revenue Bonds, Series 2022. Notably, Broward County's TDT issue was the first large post-Covid TDT bond issue in Florida.

In addition to his work in Florida, Co-Project Manager Mickey Johnston provides economic development advisory services to the City of Newark, New Jersey ("Newark"). PRAG is currently assigned to twenty-eight (28) redevelopment projects that will be presented to Newark's Tax Abatement Committee once the negotiation of terms is complete. Since May 2020, PRAG has assisted EHD in the successful negotiation of \$1.5 billion worth redevelopment investment into Newark. The projects are comprised of 3,993 residential units throughout Newark including 1,755 housing units deed-restricted to families with very low to low and moderate incomes. Other projects have included short-term rentals (i.e., hotel), commercial space, and industrial warehouses. Once these projects obtain certificates of occupancy, Newark's current fund budget will benefit from the receipt of a portion of the project revenues, pursuant to each project's financial agreement. In addition to annual PILOT revenues and administrative fees, these financial agreements provide over \$5.1 million to Newark's Affordable Housing Trust Fund. The projects also create both construction and permanent jobs in Newark in compliance with certain affirmative action, contracting and workforce requirements outlined in the financial agreements. Developers are required to make documented good faith efforts to hire Newark residents to fill these jobs. Along with assisting with analysis and negotiation of tax abatement requests, we recently helped Newark with amendments to their Inclusionary Zoning Ordinance which is aimed to increase the affordable housing stock and provide equitable growth throughout Newark.

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CASE STUDIES. The following case studies illustrate PRAG’s recent experience in these important areas.

Utilities - Evaluation of Structuring Options to Finance a Multi-Year Water & Sewer Capital Plan (Broward County)

Applicability to Hillsborough County



- *Demonstrates experience with developing financing programs to implement long-term capital plans for a water and sewer system.*
- *Structured and executed financing to simultaneously achieve multiple goals- low-cost new money, high refunding savings, and long-term debt service structure.*

PRAG served as financial advisor to Broward County on its Series 2019A and Series 2019B Utility System Bonds. The 2019A Bonds were issued to fund the Utility’s capital program. The 2019B Bonds were taxable advance refunding bonds that refunded Broward County’s 2012A and B Bonds. Because the refunding was being done on a taxable basis, Broward County required a savings threshold of 10% for each individual maturity. The 2019 Project consisted of improvements to Broward County’s North Regional Wastewater Treatment Plant and construction and reconstruction of water mains, wastewater mains, and injection wells. The Utility reviews its CIP annually, during which process all projects are vetted, estimated, and scheduled. The 2019 CIP addressed the need for services and facilities based upon anticipated build-out of the Utility’s service area in 2035 and includes capital improvements through fiscal year 2024.

The combined structure accomplished multiple goals of i) amortizing tax-exempt bonds over 25 years, in keeping with Broward County’s practice of using a 25-year maturity for new money issues; ii) amortizing taxable bonds more quickly than tax-exempt bonds, to ensure that the higher cost taxable debt service would be paid off more quickly than the lower cost tax-exempt debt service; iii) amortizing refunding bonds no longer than the final maturity of the refunded bonds; and iv) restructuring refunded principal to “level-out” the Water and Wastewater Department’s aggregate annual debt service schedule.

As expected, in February 2022 Broward County closed the next bond issue in the amount of \$199,265,000 to finance additional phases of the CIP. The issue was oversubscribed and Broward County decided to increase the proceeds by \$20 million in light of the expectation of higher interest rates in the future.

PRAG is currently working with Broward County on a current refunding of the remaining Series 2012A and B Bonds that were not advance refunded on a taxable basis.

Transportation – Tax-Exempt Replacement Proceeds (Hillsborough County)

Applicability to Hillsborough County



- *Evaluation of structuring alternatives*
- *Avoided early redemption premium*
- *Worked closely with Bond Counsel to development solutions*

PRAG advised on a \$189,290,000 bond issue for Hillsborough County to address transportation needs throughout the County. The major project financed by the bond issue was \$93 million for road widening and interchange improvements at I-75 and Big Bend Road. The Big Bend Road project was initiated under a Locally Funded Agreement with FDOT in which the County advanced most of the funding to FDOT and FDOT managed the construction. FDOT contributed \$3.5 million upfront with an additional

\$20 million to be reimbursed in ten equal quarterly payments beginning in the State fiscal year 2023/2024, subject to annual appropriation.

Instead of structuring the financing to allow an early redemption of bonds from the FDOT reimbursement, which would have resulted in an interest rate penalty, PRAG worked with the County and bond counsel to identify future transportation projects for which the FDOT reimbursements could be utilized. The tax law considerations were challenging because as the FDOT reimbursements were received they became replacement proceeds. As such they needed to be spent within the standard spend-down rules on projects with a long-term useful life. After review with PRAG and bond counsel, the County decided to apply any reimbursements received to its re-paving backlog as that would allow the funds to be spent quickly on a long-term asset.

The bonds were secured by the County's covenant to budget and appropriate legally available non-ad valorem revenues and were sold via competitive sale on May 25, 2021.

Affordable Housing – Long-term Relationship with Large Affordable Housing Finance Authority (Miami-Dade County)

Applicability to Hillsborough County



- *Demonstrates experience with affordable housing finance.*
 - *Understanding of local, state and federal programs.*
 - *Ability to develop and analyze affordable housing pro formas.*
-

As financial advisor to the Miami Dade County Housing Finance Authority ("MDCHFA"), PRAG has advised on multifamily project financings utilizing tax exempt bonds in a public sale, private placement, bank loans, FHA, Fannie Mae and Freddie Mac programs. We have served the MDCHFA as advisor in connection with both rehabilitation and new construction of public housing units for private and not for profit developers. PRAG has also served on advisor for transactions financing the redevelopment of Miami Dade County Public Housing units and Section 8 units.

PRAG was retained to assist the Director of the MDCHFA with the development and implementation of a strategic financial and operational review of the Miami-Dade Housing Agency's Documentary Stamp Surtax Program (the "Surtax Program") to meet the public policy and financial objectives of Miami-Dade County. Our scope of services included the following:

- Draft a Project Plan document with key tasks and dates to meet Miami-Dade County's 30-day project timetable.
- Review the statutory, policy and administrative parameters of the Surtax Program against past operational activities.
- Analyze the Surtax Program's internal project approval process and the Affordable Housing Advisory Board's (AHAB) recommendations.
- Review of initial project approval process, including credit underwriting criteria.
- Review criteria for prioritizing projects.
- Review financial relationships between project approval and written approval criteria.
- Review requests for additional funds and the approval process for such requests.
- Review process for recapturing funds that remain unspent.
- Review process for recapturing funds from projects that do not meet on-going requirements.
- Develop a historical cash flow model of Surtax Program revenues and disbursements.

- Develop a base-line cash flow forecast based on Surtax Program practices, forecasted revenues and costs.
- Assist in preparing a report that summarizes the objective of the Executive Director's operational and financial review, the current status of the Surtax Program, results of the review, and policy recommendations.
- Prepare communications strategy for presenting the results of the operational and financial review.

After our initial task order was completed, we were asked to assist Miami-Dade County in designing a new approach to the allocation of surtax funds among qualified projects. We developed a subsidy layering review process that includes the verification of project costs and the review of all funding sources. This process will assist Miami-Dade County in determining how to allocate funds among competing developments.

Economic Development – Convention Center and Hotel Financing during a Pandemic (Broward County)

Applicability to Hillsborough County:



- *Demonstrates ability to adapt financial plans as market conditions change.*
 - *Experience with difficult credits in a challenging market.*
 - *Understanding of TDT Revenues.*
-

Broward County had been working on a major expansion to their Convention Center and the development of a Convention Center Headquarters Hotel for many years. The projects were important to Broward County for economic development supporting Broward County's tourism industry. The Convention Center Expansion was to be financed by Tourist Development Taxes while the Hotel would be supported by the net revenues of the hotel with Broward County's covenant to budget and appropriate to replenish any draws on the debt service reserve. PRAG worked with Broward County to structure the financing and assemble the financing team and advised on a short-term \$40 million bank loan need to fund prior reimbursements for the hotel within the three-year reimbursement limit under tax law. The development of both projects was divided into five phases under a Master Development Agreement.

The implementation of the two fixed rate long-term bond issues began in late 2019 with the first set of documents drafted in early March, just as the COVID lockdowns began. When it was clear that the tourism industry was at risk, the financing was put on hold indefinitely. Work had already commenced on the first two phases, however, and Broward County need to fund the initial eastward expansion of the convention center and to refinance the hotel short-term bank loan.

PRAG helped structure two new bond anticipation loans that matured in three years and were callable after one year. Both loans were secured by Broward County's covenant to budget and appropriate. The convention center loan totaled \$227.2 million and the hotel loan was \$52 million. PRAG educated banks, developed an RFP, assisted Broward County in selecting the banks and negotiated the terms. PRAG had also reviewed the Fed's new Municipal Liquidity Facility but determined that the liquidity facility would not accommodate Florida's covenant to budget and appropriate pledge. Both facilities closed in early September 2020.

Broward County's TDT revenues experienced a severe drop in the spring and early summer of 2020 but then started to recover quickly as visitors flocked to the beaches. In mid-2021 Broward County re-started the financing process for both permanent bond issues, expecting to enter the market in early 2022. As the TDT revenues continued to grow, Broward County decided to accelerate the convention center financing. Broward County's \$487,425,000 Tourist Development Tax Revenue Bonds, Series 2021 priced on December 14, 2021 and closed on December 21st. The bonds had a Aa3 rating from Moody's.

The hotel financing took longer to complete as it was structured as a stand-alone project financing with a County back-up to replenish the reserve, not as a direct County covenant to budget and appropriate debt service directly. This required the coordination of the Master Developer, the builder and the hotel operator, Omni, and the various construction and operating agreements with the financing documents.

Because of the potential impact to Broward County's triple-AAA rating, PRAG recommended that Broward County present the financing to all three rating agencies. PRAG crafted a detailed presentation highlighting both the credit strengths and the importance of the project to Broward County's economy. Although any one of the rating agencies could have downgraded Broward County due to the additional debt or notched the ratings downward because of questions of the essentiality of the project or the debt service reserve replenishment structure, in the end all three agencies confirmed Broward County's Triple A GO rating and gave the bond issue the highest ratings possible under their criteria of AAA by S&P, Aa1 by Moody's and AA+ by Fitch.

Broward County's \$389,495,000 Convention Center Hotel First Tier Revenue Bonds, Series 2022 closed on April 19, 2022. The hotel is expected to open in 2025.

PRAG meets the qualifications and requirements listed in Section 1.3 and 1.4 of the Request for Proposals. Since our last contract period with Hillsborough County began in June 2017 PRAG has advised on over \$295 billion of debt.

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1.5.1.3. The Bidder/Proposer shall provide at least three (3) references from the public sector for whom they have provided services in the past five (5) years and who will verify contracting and other required experience that meets the needs required in this Request for Proposal (RFP). For each reference, please provide the following information:

- Name of organization
- Full mailing address
- Contact, including name, telephone, e-mail
- Size of organization
- Years of performance
- Scope of work, including similarities in scope to this solicitation.

Hillsborough County, Florida



**Hillsborough
County Florida**

601 E. Kennedy Blvd, 26th Floor
Tampa, FL 33602

Primary Contact:

Julie Wisdom, CPA
Debt and Financial Analysis Manager
(813) 272-6213
Wisdomj@hillsboroughcounty.org

PRAG has served as the sole financial advisor for Hillsborough County since 2012 and we believe that provides the best reference possible. Hillsborough County has a population of 1.45 million according to the 2020 Census and is on track to overtake Palm Beach County to become the third largest county in the State.

The scope of work proposed in the RFP is identical to the scope of work PRAG currently provides Hillsborough County. During the current contract term which began in 2017, PRAG advised the County on ten debt issuances totaling over \$881 million plus the renewal and restructuring of the County's \$275 million Commercial Paper Program. Credits include non-ad valorem, CIT, special assessment, solid waste and water and sewer. PRAG has also advised on a multitude of non-debt related issues including participating in the development of real estate redevelopment RFPs issued by the County, baseball stadium financing options, analysis of impact fee value, analysis of ferry service, financial analysis of mosquito helicopter acquisition options and analysis of unsolicited proposals.

Broward County, Florida



Department of Finance and
Administration
115 S. Andrews Avenue, Room 513
Fort Lauderdale, FL 33301

Primary Contact:

George Tablack, CPA
Chief Financial Officer
(954) 357-7130
gtablack@broward.org

PRAG has served as one of the financial advisors to Broward County since 1999 with the most recent contract term beginning in 2019. With a population of 1.97 million, Broward County is the second most populous county in Florida. Broward County provides all of the general government and utility services offered by Hillsborough County and also owns and operates public facilities that are operated by independent agencies in Broward including the airport, port, transit system, convention center and the arena for the NHL Florida Panthers.

Under the current contract, PRAG has advised on seven debt transactions totaling \$1.8 billion in par. Credits have included non-ad valorem, water and sewer, TDT and hotel revenues. PRAG has also provided P3 advisory services in connection with the planning of a joint City-County government center.



Miami-Dade County Water and Sewer Department, Florida

Water and Sewer Department
3071 SW 38th Avenue
Miami, FL 33146.

Primary Contact:
Frances Morris, CPA
Chief Financial Officer
(786) 552-8104
Frances.morris@miamidade.gov

PRAG has served as municipal advisor to Miami-Dade County since 2006. With a population of 2.67 million, Miami-Dade County is the most populous county in the State. Like Broward County, Miami-Dade County provides general government services as well as owning and operating a water and sewer utility, the airport system, the port, the transit system and professional sports facilities. PRAG currently advises the County's water and sewer department, the largest municipal utility in the Southeast with FY2021 operating revenues of \$827 million.

Since 2014 PRAG advised on ten debt transactions totaling \$4.8 billion in par as well as a \$400 million commercial paper program. Included in the debt transactions were four WIFIA loans totaling approximately \$1 billion. With a capital improvement plan of over \$7.5 billion, PRAG works closely with the water and sewer department on the strategic plan for debt issuance.

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1.5.2. Experience – The Bidder/Proposer shall demonstrate a history of financial advisory engagements with governmental entities, including but not limited to advice regarding debt structuring; credit analysis and evaluation; financial analysis and modeling; the use of competitive bid versus negotiated sale formats for selected financing transactions; oversight of marketing of selected negotiated transactions; access to and experience with internet-based bid platforms such as but not limited to Ipreo Parity and BiDCOMP; evaluations of bond pricings (interest rate scales, underwriting spreads and re-offering yields, and the competitiveness of such terms with comparable municipal offerings); assistance in the preparation of bond documents; assistance with the bond sale and closing process; assistance with the preparation and presentation of materials to credit rating agencies, institutional investors, elected officials and other major stakeholders; and evaluation of investment strategies and products.

The table below illustrates our breadth of experience in the services the project team has provided to some of our Florida clients. All of these services were provided by the Florida team that will continue to serve the County.

Representative Florida Clients and Advisory Services			
Client	Services	Client	Services
Hillsborough County	<ul style="list-style-type: none"> • Bank loans/bond issues • Negotiated and Competitive Pricing • Taxable/Tax-Exempt • Refunding/New Money • Variable Rate Debt • General Obligation Bonds • Commercial Paper • Communication Services Tax • Non-Ad Valorem • Tourist Development Tax (“TDT”) • Transportation • Water/Sewer • Solid Waste • Special Assessment • Tax Increment • Affordable Housing • Sports Facilities • Ratings Upgrade • P3 Advisory • Commission Presentations • RFP Development & Evaluation 	Florida League of Cities	<ul style="list-style-type: none"> • Bank loans/bond issues • Taxable/Tax-Exempt • Negotiated Bond Pricing • Pool Financings • Non-Ad Valorem • General Obligation Bonds
		City of Tampa	<ul style="list-style-type: none"> • General Fund Advisor • Negotiated and Competitive Pricing • Bank loans/bond issues • Taxable/Tax-Exempt • Variable Rate Debt • Green Bonds • Non-Ad Valorem • Stormwater • Tax Increment • Convention Center Financing • Private Payment Tests • Special Assessment Financing • Sports Facilities • Conduit Financing • RFP Development & Evaluation
Pinellas County	<ul style="list-style-type: none"> • Cinderella Refinancing • Bank Loan Renegotiation • Sewer • TDT/Sports Facility analysis • Transportation • WIFIA analysis • Investment Policy 	City of Clearwater	<ul style="list-style-type: none"> • Negotiated and Competitive Pricing • Non-Ad Valorem Inaugural Rating • Water/Sewer • Identified Unexpected Refunding • Ratings Upgrade • Underwriting Team RFP • Affordable Housing
Hillsborough County IDA	<ul style="list-style-type: none"> • Conduit Financing • Refunding • New Money 	Tampa Sports Authority	<ul style="list-style-type: none"> • Taxable/Tax-Exempt • Negotiated and Competitive Pricing • Refunding and New Money • P3 Advisory • Sports Facilities

Representative Florida Clients and Advisory Services			
Client	Services	Client	Services
Manatee County	<ul style="list-style-type: none"> Negotiated and Competitive Pricing Refunding/New Money Variable Rate Debt Non-Ad Valorem Transportation Water/Sewer Ratings upgrade Lines of Credit Cross-over Refunding Investment Policy Commission Presentations RFP Development & Evaluation Seaport (Port) Taxable Advance Refunding (Port) 	City of Fort Myers	<ul style="list-style-type: none"> Negotiated Bond Pricing Bank Loan Water/ Sewer Non-Ad Valorem Senior/Subordinate SRF Refunding Equipment Leasing Financing Fund Balance/ Budget Policy P3 Education RFP Development & Evaluation Line of Credit
		State of Florida	<ul style="list-style-type: none"> Competitive Sale Refunding Lease Financing
Broward County	<ul style="list-style-type: none"> Negotiated Bond Pricing Taxable/Tax-Exempt Refunding/New Money Water/Sewer TDT Convention Center CBA Convention Center Hotel Half Cent Sales Tax Bond Anticipation Notes P3 Advisory Commission Presentation RFP Development & Evaluation 	City of Largo	<ul style="list-style-type: none"> Negotiated Bond Pricing First Time Issuer Taxable/Tax-Exempt New Money Non-Ad Valorem RFP Development and Evaluation
		City of Palm Bay	<ul style="list-style-type: none"> Competitive Sale General Obligation Investment Policy
Miami-Dade Water & Sewer	<ul style="list-style-type: none"> Negotiated Bond Pricing Taxable/Tax-Exempt Refunding/New Money WIFIA Loans (4) Bond issues up to \$1.2 billion Commercial Paper Ratings Upgrade Senior/Subordinate Long-term financial modeling 	FDOT	<ul style="list-style-type: none"> P3 Pricing Advisor Evaluation of Financial Alternatives P3 Advisory ESG Disclosure Survey Market Updates and Market Surveys
		Emerald Coast Utility	<ul style="list-style-type: none"> Equipment Lease Financing Refunding and New Money Analysis Solid Waste
		Venetian CDD	<ul style="list-style-type: none"> Bank Loan Forward Refunding Special Assessment Financing
Columbia County	<ul style="list-style-type: none"> New Client Board Presentation Affordable Housing 	University Place CDD	<ul style="list-style-type: none"> Bank Loan Refunding Special Assessment Financing
Housing Finance Authority of Miami-Dade County	<ul style="list-style-type: none"> Conduit Financing Affordable Housing Developer Negotiations Single Family Pool Loan Sales Board Presentations 	City of Safety Harbor	<ul style="list-style-type: none"> Bank Loan Refunding Bank Loan Renegotiations Non-Ad Valorem Water/Sewer
Escambia County	<ul style="list-style-type: none"> Negotiated Bond Pricing Bank Loan Renegotiation Refunding Non-Ad Valorem TDT Capacity Analysis Conduit Financing 	City of Palmetto	<ul style="list-style-type: none"> Non-Ad Valorem Bank Loans Refunding/New Money Conduit Financing Swap Unwinds

PRAG'S PROVEN, MULTI-PHASED APPROACH

We view each project as having three stages: Strategic Planning, Implementation, and Ongoing Financial Management. PRAG's

fundamental objective is to provide our clients with the information they need to make well-informed strategic decisions, in each of these project stages. Each phase, which frequently overlap, requires attention

be paid to certain key tasks – from long term financial and capital planning during Strategic Planning, to structuring and timing a bond sale or bank loan during Implementation, and to continuing debt management, rating agency communications, and annual reporting involved in Ongoing Financial Management. Working alongside clients both in Florida and nationally, PRAG has developed and refined this approach to ensure we are continuously providing value-added services and benefits to our clients.



STRATEGIC PLANNING

During the initial Strategic Planning phase, we ensure that we are fully up to speed and take into consideration any internal policies, initiatives, or objectives in our recommendations. We work closely with the County on an on-going basis, to identify refunding savings opportunities and evaluate financing options, in the context of both internal and external considerations to efficiently execute upcoming financings. From a credit perspective, we will work closely with the County to develop a proactive credit strategy that will allow the County to execute its capital plans, while affirming its current ratings or achieving future upgrades for specific credits when warranted. We also act as a partner and resource to the County's internal staff and external consultants (i.e. Bryant Miller Olive, Nabors Giblin & Nickerson, and Raftelis) in the evolution and implementation of the County's long-term financial and capital plans.

PRAG is actively engaged in several strategic planning processes with the County including the size and timing of an ELAPP general obligation bond issue, permanent financing for the Northwest Transfer State Facility improvements, the Southeast County Landfill Leachate Management Improvements and the new Materials Recovery Facility for the Solid Waste System and the plan of finance for the almost half a billion dollars of water and sewer system improvements needed in South County.

All of our strategic planning work involves extensive in-house custom cash flow modeling as described in our response to Question 1.5.3. In addition to developing complex financial models, the

PRAG also provides strategic planning services on non-debt related projects, such as our recent analysis of the most cost-effective solution for Mosquito Control to expand services. PRAG developed a detailed financial model that compared lifecycle costs between utilizing the County's existing helicopter, adding a used helicopter or several different types of new helicopters.

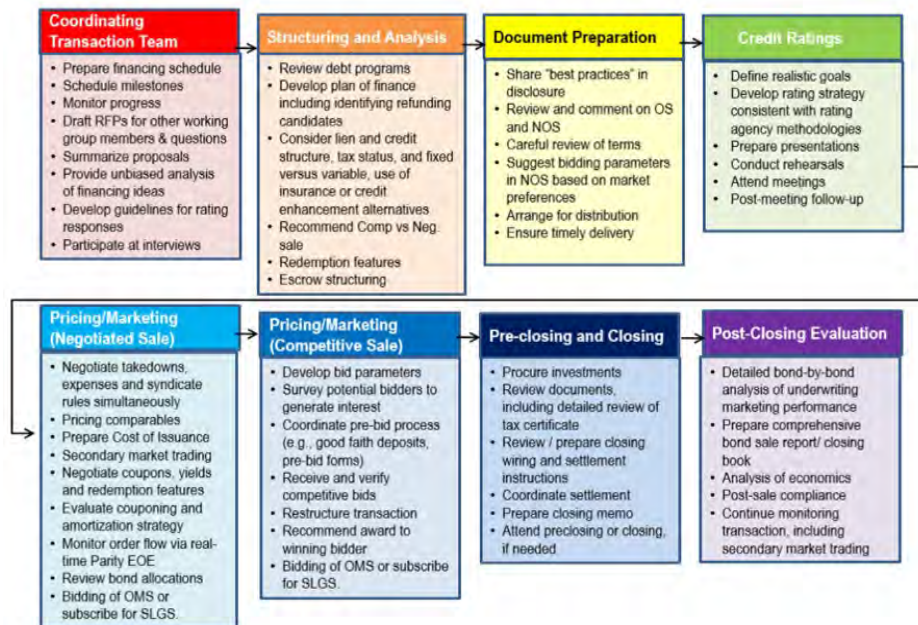
County's municipal advisor must be able to communicate the plans to staff and, if needed, to the Board of County Commissioners both in written form as well as verbally during informal discussion and in formal presentations. PRAG has participated in many discussions with staff, has drafted multiple memos and recommendations, and has made presentations to the Board and fielded questions, both in individual briefings and to the entire Board during Commission meetings.

DEBT STRUCTURING AND IMPLEMENTATION

The graphic below presents PRAG's approach, steps, and responsibilities when developing and implementing a financing plan. To a large extent, each of these processes occurs in the structuring and execution of any bond issue.

COORDINATING THE TRANSACTION TEAM.

PRAG makes sure the transaction team is available, informed, and efficient. In that role we prepare and distribute the term sheet, distribution list, and timetable which incorporates sufficient lead time for completion of rate studies, revenue sufficiency analysis, bond document preparation and review, rating agency process, and marketing in addition to any educational sessions or workshops for staff and/or the BOCC. By



building in additional time within reason, we are to execute an organized and streamlined financing process. PRAG continually monitors the working group's adherence to the timeline. We incorporate the required BOCC approval dates along with the lead time required for agenda purposes. We also target the optimal time to enter the market based on market tone, competing issues, and economic announcements.

PRAG has proven our ability to coordinate financings last year when Hillsborough County had three different bond issues in process at the same time. Wendell Gaertner, Natalie Sidor and Mickey Johnston each worked on all of the deals, but Wendell took leadership in coordinating the Wastewater Impact Fee Assessment Special Assessment Revenue Bonds that closed on April 12, 2021. Concurrently Mickey provided primary coordination of the Capital Improvement Non-Ad Valorem Revenue Bonds that closed May 25, 2021 and Natalie did the same for the Utility Revenue Bonds that closed July 19, 2021. By assigning three senior advisors to serve the County, PRAG can ensure sufficient resources are available to handle multiple financial needs of the County at the same time.

STRUCTURING AND ANALYSIS. As Financial Advisor, PRAG works closely with the County to perform a comprehensive review of various financing options, including interim financing, publicly offered debt,

privately placed bank loans and other capital sources, to assist the County in developing the best possible plan of finance for a given project(s). We evaluate the various requirements associated with the different financing options, such as the need for a feasibility report and engineering study. PRAG's analysis focuses not only on the timing and economics (i.e. lowest borrowing costs, mitigating impact to ratepayers/taxpayers) associated with each financing option but also the benefits and considerations of each alternative in the context of the County's overarching objectives.

PRAG views structuring and analysis as an ongoing element of the financing process. For each financing, PRAG works closely with the County to develop alternative structural approaches by varying assumptions (e.g. market conditions, timing, rate increases, credit rating, reserve levels, redemption features, tax status, etc.), including analyses of potential outcomes, risks and benefits, to facilitate informed decision-making. PRAG works with our clients to address all financial aspects of any financing, taking into account their existing debt profile, bonding capacity, the immediate needs of the financing, and future capital plans to determine the ongoing implications of the chosen financing strategy. The expertise and analytical perspective we bring to our clients enables us to advise them as they determine the most efficient source of funding for projects, consider opportunities to refund existing debt, and explore bank lending terms.

PRAG has also assisted the County in structuring debt to meet existing bond covenants. For example, the County's solid waste line of credit which closed in December 2020 was structured with a 20-year amortization and a three-year put to avoid potential rate covenant issues associated with the impact of a shorter balloon maturity. The County's utility line of credit, which closed in March 2022, faced a similar issue whereby PRAG recommended issuance on a subordinate basis due to the stronger credit of the water and sewer system.

DOCUMENTATION PREPARATION. PRAG carefully reviews all bond documents including resolutions, ordinances, indentures, offering documents, feasibility reports, bond purchase agreements, and closing documents. We ensure the initial drafts of documents are available with sufficient time for review. We make sure the documentation is consistent among the various agreements, reports, and disclosure documents. We facilitate the review process. Finally, we ensure that the key pieces of the disclosure documents, such as resiliency efforts, cybersecurity, and impacts of COVID-19, are consistent throughout all disclosures.

CREDIT RATINGS. PRAG's credit expertise and experience has provided benefit to our existing clients by developing proactive strategies to manage its credit ratings. PRAG assists our clients in the development and execution of their credit strategies and rating agency communications both during a bond issue and during rating surveillance, providing analyses, drafting presentations, assisting in written responses to rating analyst questions and participating in conference calls and meetings with the rating agencies.

An example of our technical analysis for the County includes developing and maintaining the long-term financial models for both the 4th cent and the 5th cent Tourist Development Taxes. The County has targeted the 4th cent towards Raymond James Stadium and George M. Steinbrenner Field while the 5th cent is used to support Amalie Arena. Each penny is pledged to a different series of bonds and excess funds are used to pay a portion of other non-ad valorem debt that financed improvements to the facilities. Revenues are also used to repay commercial paper draws. PRAG's models account for all the cash flows associated with each penny.

Working with issuers on their credit ratings is a key responsibility of the municipal advisor -- higher credit ratings typically translate into lower borrowing costs. PRAG works closely with our clients in developing their rating agency strategies and in drafting targeted materials to present to the rating agencies, in order to best position our clients for a strong ratings outcome. The firm has developed an understanding of the rating agencies process and criteria that we do not believe is present at any other advisory firm. PRAG's credit expertise and experience can provide benefit by helping the County proactively manage its ratings on an on-going basis. We have assisted our Florida clients in (i) obtaining initial ratings on new debt structures, (ii) rating upgrades when appropriate and (iii) developing a proactive, long-term rating strategy to maintain ratings in the context of executing large or complex capital programs.

There has been a fundamental shift in rating agency regulation and practices since the financial crisis of 2008. The rating agencies are very careful now not to provide any guidance or feedback on credit issues and structures during the rating process. Knowledge of the rating criteria must be now, more than ever, a critical part of the municipal advisor's skill set.

While the rating factors themselves have not changed materially, the methodologies have in some cases. For example, both Moody's and Standard & Poor's have moved away from more of a 'black box' methodology in favor of a more transparent 'scorecard' methodology for rating municipal credits. In some cases, these methodologies (particularly Standard & Poor's) have positioned certain issuers for a potential rating upgrade. PRAG stays on top of these changes in rating agency methodologies in order to further customize our rating agency strategies and supporting analysis for each financing and for each rating agency. PRAG works with issuers to evaluate the impact of these published metrics to make the case for obtaining ratings from certain agencies or justifying rating upgrades, both by focusing on the hard metrics and scores, as well as the 'below the line' adjustments that can affect the rating. As advisor to many major issuers across the country, we are in regular contact with the rating agencies and have helped many of our clients develop and implement effective rating agency strategies, resulting in upgrades as demonstrated in the case studies provided below.

Due to the high volume of bonds that we advise upon, PRAG is also familiar with the credit and structuring parameters of major institutional investors. If requested, we participate in credit calls between an institutional investor and our client.

PRAG has assisted the County in developing and delivering its credit story to the rating agencies both as part of an initial issue as well as during the periodic surveillance review process.

Hillsborough County enjoys strong ratings and its primary goal is to maintain its coveted Triple-Triple A GO rating. The rating agencies see the issues listed in the table below as major risks to the County's GO rating. The primary strategy to maintain the County's AAA ratings, therefore, is to continue to maintain strong reserves and fund balances.

Hillsborough County's GO Ratings Identified Risks		
Moody's Aaa	Standard & Poor's AAA	Fitch AAA
Significant Reduction in cash and fund balance	Deterioration of strong liquidity position	Failure to implement available policy measures that would offset risks associated with a return to economic contraction, resulting in an erosion of gap-closing capacity

Substantial increase in debt and pension burdens		Inability to maintain fiscal discipline throughout the economic cycle that results in material and recurring structural imbalance
Prolonged and severe declines in tax base		Additional leverage that dilutes the level of financial resilience

Reinforcing the strength of the County’s financial position, this past May Fitch reviewed the County’s audit, budget, and other public disclosures. Their only question for the County was whether there were any material changes. Since there were none, they did not believe publication of their review was necessary.

The County’s utility also enjoys strong ratings, carrying the highest Aaa and AAA from Moody’s and Fitch respectively. The S&P rating of AA+ provides the capacity for an upgrade, but such action may be difficult given the large capital plan for the utility. We think a more realistic goal is to maintain the current rating levels and work towards an upgrade from S&P after implementation of the CIP.

PRICING / MARKETING. Our pricing process is highly market focused. Prior to any of our clients entering the market with a transaction, PRAG advisors set out to understand current investor preferences and market conditions; achieve best available ratings (using credit enhancement if warranted) and highlight credit strengths of the issuer; determine best structure to accomplish client’s financing goals and meet investor requirements; and execute pricing in an organized and deliberate process.

PRAG focuses on achieving the best pricing by being aware of investor preferences and by structuring financings to appeal to a wide investor base. An efficiently priced bond transaction can save an issuer millions of dollars, and we place a great deal of emphasis on securing the optimal pricing results for our clients.

Pricing Process. As the pricing date for either a competitive or a negotiated sale approaches, PRAG develops a preliminary scale of coupons, yields, call provisions, and takedowns, which are representative of the market for the issuer’s bonds. In developing such a scale, our process involves analyzing the client’s historical issues and reviewing their absolute and relative values in comparison to the appropriate market indices, such as Municipal Market Data (“MMD”) municipal bond yield curves; and checking comparable issues in the current market and their absolute and relative trading values, as well as takedowns. In negotiated sales, we also contact underwriting firms that are not participants in the issuer’s proposed negotiated sale for pricing views on the proposed financing, as underwriters are generally willing to discuss pricing views with PRAG because they do not see us as a competitor and they recognize our market presence.

Alternative Sales Methods: Competitive versus Negotiated. As Financial Advisor, PRAG’s role and objective for both competitive and negotiated sales is to analyze the specific characteristics of each financing independently to develop a recommendation that achieves the lowest possible borrowing cost for the issuer. Our role in both sales methods is very similar – the only major difference occurs during the sales and marketing period. PRAG evaluates the following factors, in addition to the specific characteristics, of each distinct financing to determine the method of sale that achieves the lowest possible borrowing cost, taking into account the issuer’s internal objectives as well as external market factors.

Competitive Sale Characteristics	Negotiated Sale Characteristics
Highly Rated Credits	Lower Rated/ Non-Rated Credits ("Story Bonds")
Stable Market Conditions	Volatile Market Conditions
Standard Security Pledge	Innovative Security
Customary Bond Structure	Unusual Bond Structure
Established Entities	New Entities
Frequent Issuers	Infrequent Issuers
Political Considerations	Political Considerations
	Floating Rate/ Derivatives

The County's three public bond issues in 2021 illustrate our approach to recommending a competitive or negotiated sale. For most well-known and highly rated issuers like the County, the default sale structure is a competitive sale. Both the non-ad valorem and the utility bond issues met the criteria for a competitive sale in the strong market conditions that were present in 2021 and PRAG recommended they be sold via competitive sale. In May, the County offered \$164.5 million of Capital Improvement Non-Ad Valorem Revenue Bonds and received seven bids with half a basis point separating the winning bid and the cover. The next month the County offered \$152 million of the Series 2021A utility bonds and received six bids at even tighter spreads. The Series 2021B refunding bonds were structured as a separate series of \$17.74 million to ensure that they met the savings threshold and were sold a half hour later. The smaller offering received four bids. (Note: Both the non-ad valorem and utility new money series were ultimately resized within Notice of Sale and resolution parameters)

For the County's special assessment bonds, however, PRAG recommended a negotiated sale due to the unique credit profile associated with the wastewater portion of the existing assessments scattered throughout the County. PRAG helped develop a mini-RFP for the County's underwriting pool and provided technical assistance during the underwriter selection process.

Method Of Sale Decisions			
Issue	Wastewater Impact Fee Assessment Special Assessment Revenue Bonds, Series 2021 (43 Units)	Capital Improvement Non-Ad Valorem Revenue Bonds, Series 2021	Utility Revenue Bonds, Series 2021A and Utility Refunding Revenue Bonds, Series 2021B
Par Amount	\$58,040,000	\$189,290,000	\$175,935,000
Sale Date	March 11, 2021	May 11, 2021	June 29, 2021
Credit	Special Assessments	Covenant to Budget and Appropriate	Net Revenues of the Utility
Rating (M/SP/F)	Aa2/ A / --	Aa1/ AAA/ AA+	Aaa/ AA+/ AAA
Term	18 years	30 years	30 years

Parity Debt	No	Yes	Yes
Market Conditions	Relatively Stable	Relatively Stable	Relatively Stable
Major Determinates	The bonds were secured by a unique assessment area containing more than 54,000 parcels in 43 Impact Fee Assessment Units. The bonds also had a two-notch split rating from Moody's and S&P	The term required a bond issue and the known credit, liquidity provided by parity debt and the very strong ratings favored competitive sale.	The term required a bond issue and the known credit, liquidity provided by parity debt and the very strong ratings favored competitive sale. The refunding series had a minimum net present value savings requirement.
Recommended Structure	Negotiated Sale	Competitive Sale	Competitive Sale (Separate Sales for Each Series to ensure minimum refunding savings)

PRAG's Competitive Sale Process. PRAG has been ranked as the #1 financial advisor for competitive sales for new issue long term municipal bonds for the past five years, according to Refinitiv. For competitive sales, PRAG works with our clients to determine the fundamental characteristics of the bond issue, obtain ratings, review bond and disclosure documents and prepare and distribute the notice of sale.

We gather pre-pricing information as if we were preparing for a negotiated sale. Our focus is on establishing bid parameters that would give the bidders flexibility in structuring their bids and at the same time fulfill the issuer's goals within any legal and financial constraints. The goals are to allow the issuer the greatest likelihood of achieving the lowest cost of borrowing, while simultaneously maintaining as much flexibility as possible. We have relationships with the major investment banks who typically participate in competitive sales. Based on our experience, we have found that with enough advance notice and consultation, underwriters are willing to accommodate the needs of the issuer.

To accomplish that, and to decide on the best timing of the sale, we check the economic calendar and the calendar of competitive sales on *Bloomberg* and *TM3*. In developing the notice of sale, we review the prevailing features of notices of sales in the market and we may discuss the contemplated bid parameters with underwriters (in general terms) to gauge expected market response. We also analyze results of the recent competitive sales and calculate option adjusted yields using our call option model, which helps us to evaluate coupon restrictions on the callable bonds that may be beneficial to the issuer. For refunding bond issues, we may restrict coupons to avoid dis-savings in any fiscal year. Further, we would structure a notice of sale to provide the issuer flexibility to postpone or change the sale date and time; to revise principal amounts and bid parameters before the sale; and to revise principal amounts after the verbal award to the winning bidder. This flexibility enables the issuer to achieve its desired debt service profile or savings profile in the case of a refunding. When working on very large competitive transactions, we may propose various tranching methods to ensure several bidders, after

discussions with major market participants. This helps to assure successful execution regardless of market conditions, even for especially large issues.

Following the electronic distribution of the Notices of Sale and Preliminary Official Statement via *Ipreo Parity* and *Bloomberg*, PRAG personnel contacts underwriting desks to make sure they received the documentation for the upcoming issue, answer questions, and ask whether they intend to bid and with which syndicate. We check the information posted on *Parity*. If necessary, we schedule meetings with syndicate desks of firms managing a syndicate. We have found that this marketing activity can result in one or two additional bids, ultimately positioning our clients to achieve more favorable pricing results in many instances. After an order period closes, PRAG reviews and verifies all bids submitted via *Parity* for compliance with bidding restrictions. PRAG developed its own model to calculate TIC precisely, which we use to confirm information provided by *Parity* before the issuer awards the winning bid.

PRAG's Negotiated Sale Process. PRAG has extensive experience in negotiated underwritings for new money projects, refinancings, and combined new money and refinancing bond issues. According to Refinitiv, in 2021 PRAG advised on \$27.4 billion of long-term negotiated municipal bond issuance, making us the 2nd most active firm in the nation.

PRAG has developed a thorough process to assist issuers in achieving the lowest cost of borrowing available in a negotiated sale. This process begins well before the actual bond pricing and involves working with the client to develop parameters that set the framework for the pricing. We develop a matrix of call option values, which show the theoretical trade-off among various call provisions of bonds. We use a similar analytic tool to analyze the trade-off between different levels of discounts and yields and the impact of the shorter duration associated with premium bonds.

As the pricing date for a negotiated sale approaches, PRAG develops a "consensus" scale of coupons, yields, call provisions and takedowns, which are representative of the market for the issuer's bonds. In developing such a scale, retail and/or institutional, the following steps are taken: First, we analyze the client's historical issues and review their absolute and relative values in comparison to the appropriate market indices, such as Municipal Market Data Municipal Yield Curves. Second, we check comparable issues in the current market and their absolute and relative trading values, as well as takedowns. Third, we contact underwriting firms that are not participants in the issuer's proposed negotiated sale for pricing views on the proposed financing. Other underwriters are willing to discuss pricing views with PRAG because they do not see us as a competitor and recognize our market presence.

PRAG also assists its clients in negotiating the underwriter spread components (management fee, expenses and takedowns), eliminating a sometimes contentious pricing day discussion. PRAG also works with the client and the underwriting group to determine the value of holding a retail order period prior to the formal day of pricing.

We also review the way manner in which the issue price will be established in the event that 10% of each maturity is not sold by the time the bond purchase agreement is executed.

Last year in Florida, PRAG advised on \$1.8 billion in negotiated bonds, \$604 million in bonds sold via competitive sale, and \$569 million in bank facilities - including loans, lines of credit and commercial paper. PRAG also advised on a \$424 million WIFIA loan for a water and sewer utility. Our Florida negotiated transactions last year ranged from \$3.36 million for an affordable housing financing to over \$600 million for a water and sewer utility issue.

Pre-Pricing Day. In the afternoon of the pre-pricing day, PRAG presents the issuer with current market information and comparable transactions as described earlier. Subsequently, the underwriter presents their pricing views along with those of members of the underwriting group allowing the issuer to see the range of indicative yields in the market. If a retail order period took place, the underwriter would review retail orders. In addition, discussions begin regarding current market conditions, comparable transactions in the market and potential pricing alternatives. The terms and conditions of the purchase agreement between the underwriters and the issuer should be put into final form and agreed to among the parties. Finally, rules guiding priority of orders and designation policy should be established.

Pricing Day. During the morning of pricing day, a preliminary pricing call is held to determine the preliminary coupons, yields and takedowns for the bonds for the institutional order period. During this pricing call the underwriters will propose an interest rate scale which they would like to offer to the market. It is the issuer's ultimate decision as to what interest rates to offer on a preliminary basis. It should be noted that once the preliminary pricing is announced to the market, it is usually very difficult to make dramatic changes to lower the yields if the bonds are oversubscribed.

Once a preliminary price has been determined and agreed upon by the issuer and the underwriter, the underwriter will place a pricing wire announcing the sale and the preliminary interest rates and takedowns. After the release of the pricing wire, PRAG and the issuer are able to monitor the status of the order period using *Ipreo's* Municipal Bookrunning system, viewing orders in real time.

PRAG uses a powerful proprietary model that interfaces with the Parity electronic order entry ("EOE") system to quickly tabulate electronic investor order information into a simple-to-analyze color-coded summary. Real-time data is compiled and presented as the most pertinent pricing details, such as spreads to MMD, balances and levels of subscription, combining bifurcated maturities when appropriate, visually and nominally highlighting the largest investors (and respective orders by maturities). PRAG immediately distills this information into an easy-to-read single-page format which allows issuers to be better informed and focused when negotiating for more favorable pricing terms. We constantly monitor order flow, rather than passively wait for the underwriter to share select information. Having real-time access to order flow is only as good as the ability to interpret such data and PRAG's EOE model translates such information to a clear and understandable format in order to best prepare issuers in advance of price negotiations with underwriters. Given the limited time to react to fast moving markets, PRAG's EOE model is invaluable to providing a detailed picture of the order book during the short amount of time prior to price negotiations. The output from our model consolidates the *Ipreo* Gameday information without the painstaking time and effort to click through each maturity to view the information.

A sample of the output of our EOE model is presented below.

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Summary of Orders (\$000)																					
			10/1/2028	10/1/2029	10/1/2030	10/1/2031	10/1/2032	10/1/2033	10/1/2034	10/1/2035	10/1/2036	10/1/2037	10/1/2038	10/1/2039	10/1/2040	10/1/2041	10/1/2042	10/1/2043	10/1/2044	10/1/2045	10/1/2047
	Maturity >>		5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	
	Coupon >>		5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	
	Yield >>		1.510%	1.600%	1.660%	1.720%	1.770%	1.840%	1.890%	1.920%	1.930%	1.960%	2.160%	2.180%	2.200%	2.220%	2.250%	2.280%	2.310%	2.340%	
	Spread >>		+16	+19	+21	+23	+25	+29	+32	+33	+33	+33	+50	+50	+50	+50	+50	+50	+50	+52	
Total																					
	Principal (Maturity Value) >>		182,030	390	410	430	455	475	495	525	550	575	605	3,935	4,095	4,255	4,430	4,605	4,790	4,985	
Orders:	Type																				
	FL Individual Ret >>		610	5	0	0	85	0	0	0	0	0	0	50	0	0	0	0	260	0	
	Nat Individual Ret >>		1,410	35	0	50	50	0	0	0	0	0	0	240	0	0	0	10	0	100	
	Institutional >>		1,948,310	565	1,340	1,560	1,365	1,260	1,120	1,650	1,210	2,300	2,670	46,915	36,070	43,510	41,940	35,930	40,230	31,425	
	Stock >>		67,760	0	0	0	0	0	0	1,050	1,100	1,150	1,210	1,000	1,000	1,250	1,250	1,250	1,250	25,000	
	Total >>		2,018,090	605	1,340	1,610	1,500	1,260	1,120	2,700	2,310	3,450	3,880	48,205	37,070	44,760	43,190	37,190	41,740	32,675	
Balances:	FL Individual Ret >>		385	410	430	370	475	495	525	550	575	605	3,885	4,095	4,255	4,430	4,595	4,530	4,985	46,780	
	Nat Individual Ret >>		350	410	380	320	475	495	525	550	575	605	3,645	4,095	4,255	4,430	4,595	4,530	4,985	46,580	
	Institutional >>		(215)	(930)	(1,180)	(1,045)	(785)	(625)	(1,125)	(660)	(1,725)	(2,065)	(43,270)	(31,975)	(39,255)	(37,510)	(31,335)	(35,700)	(26,440)	(580,820)	
	Stock >>		(215)	(930)	(1,180)	(1,045)	(785)	(625)	(2,175)	(1,760)	(2,875)	(3,275)	(44,270)	(32,975)	(40,505)	(38,760)	(32,585)	(36,950)	(27,690)	(605,820)	
		Total >>																			
Subscription:	FL Individual Ret >>	0.00x	0.01x	0.00x	0.00x	0.19x	0.00x	0.00x	0.00x	0.00x	0.00x	0.00x	0.00x	0.01x	0.00x	0.00x	0.00x	0.05x	0.00x	0.00x	
	Nat Individual Ret >>	0.01x	0.10x	0.00x	0.12x	0.30x	0.00x	0.00x	0.00x	0.00x	0.00x	0.00x	0.00x	0.07x	0.00x	0.00x	0.00x	0.05x	0.00x	0.01x	
	Institutional >>	10.71x	1.55x	3.27x	3.74x	3.30x	2.65x	2.26x	3.14x	2.20x	4.00x	4.41x	12.00x	8.81x	10.23x	9.47x	7.80x	8.45x	6.30x	13.42x	
	Stock >>	11.09x	1.55x	3.27x	3.74x	3.30x	2.65x	2.26x	3.14x	2.20x	4.00x	4.41x	12.25x	9.05x	10.52x	9.75x	8.08x	8.71x	6.55x	13.95x	
Excluding top	1		0.55x	2.27x	2.74x	2.30x	1.65x	1.26x	4.14x	3.20x	5.00x	5.41x	11.25x	8.05x	9.52x	8.75x	7.08x	7.71x	5.55x	13.10x	
Excluding top	2		0.10x	1.27x	1.74x	1.30x	0.65x	0.26x	3.14x	2.20x	4.00x	4.41x	10.25x	7.05x	8.52x	7.75x	6.08x	6.71x	4.55x	12.24x	
Excluding top	3		0.06x	0.27x	0.74x	0.30x	0.00x	0.00x	2.14x	2.00x	3.00x	3.41x	9.25x	6.05x	7.52x	6.75x	5.08x	5.71x	3.55x	11.39x	
Orders by Inverse Size																					
Orders	Investor																				
128,065	INVERSCO Funds Group, Inc.	1	390	410	430	455	475	495	525	550	575	605	3,935	4,095	4,255	4,430	4,605	4,790	4,985	40,000	
111,065	Liberty Mutual Insurance Co	2	175	410	430	455	475	495	525	550	575	605	3,935	4,095	4,255	4,430	4,605	4,790	4,985	40,000	
109,435	Nuveen Investments	3	15	410	430	455	475	495	525	550	575	605	3,935	4,095	4,255	4,430	4,605	4,790	4,985	40,000	
105,000	Morgan Stanley Bos	4	10	110	270	75	0	0	75	0	575	605	3,935	4,095	4,255	4,430	4,605	4,790	4,985	40,000	
103,935	Capital Research & Management	5	5	0	50	25	0	0	0	0	0	0	250	3,935	4,095	4,255	4,430	4,605	4,790	4,985	
100,000	Mackay Shields Financial Corp	6	5	0	0	10	0	0	0	0	0	0	0	3,935	4,095	4,255	4,430	4,605	4,790	2,000	
95,000	Old Orchard Capital Mgmt LP	7	5	0	0	25	0	0	0	0	0	0	0	3,935	2,000	4,255	4,430	2,000	4,790	1,500	
91,715	Vanguard Group	8	0	0	0	0	0	0	0	0	0	0	0	3,935	2,000	4,225	4,430	1,500	2,000	1,000	
85,000	MIZUHO CAPITAL MARKETS C	9	0	0	0	0	0	0	0	0	0	0	0	3,935	2,000	2,000	2,000	1,000	1,500	1,000	
80,000	BlackRock Advisors	10	0	0	0	0	0	0	0	0	0	0	0	2,000	1,500	2,000	1,500	1,000	1,200	1,000	
79,000	Susquehanna Financial Group	11	0	0	0	0	0	0	0	0	0	0	0	2,000	1,000	1,500	1,000	1,000	1,000	25,000	
63,845	State Farm Insurance Companies	12	0	0	0	0	0	0	0	0	0	0	0	2,000	1,000	1,000	1,000	1,000	1,000	20,000	
63,065	Performance Trust (Customer)	13	0	0	0	0	0	0	0	0	0	0	0	1,500	1,000	1,000	1,000	500	250	20,000	
50,000	Eaton Vance	14	0	0	0	0	0	0	0	0	0	0	0	1,000	1,000	1,000	0	300	10	20,000	
49,000	Citigroup Alternative Investments	15	0	0	0	0	0	0	0	0	0	0	0	1,000	0	1,000	0	10	0	20,000	

PRAG also uses a separate proprietary model during negotiated pricings to evaluate the option adjusted spread impacts of various couponing structures. This analysis can help guide pricing decisions by evaluating the coupons and spreads on an option adjusted basis.

After a negotiated order period, PRAG and the issuer will examine the “book” of orders. Depending on the number of orders by maturity, particularly from institutional investors, PRAG will make recommendations to the issuer regarding adjustments in yields and/or changes to coupons. Other factors that are taken into consideration in making recommendations to adjust coupons and yields include current market conditions, overall supply, buyer sentiment, and absolute and relative spreads to historical issues and appropriate market indices. Once this negotiation is completed and the underwriters receive a verbal award of the bonds, PRAG assists, if requested, with the allotment process to ensure the bonds are fairly distributed among the underwriting group.

PRE-CLOSING AND CLOSING. After any pricing, we move into the pre-closing process. It is PRAG’s policy to coordinate the closing logistics and wire transfers. We prepare a detailed Closing Memorandum, which acts as both the funding guide for the day of closing as well as the final documentation of all cash transfers and costs of issuance payments.

POST-CLOSING EVALUATION. After each issue, we generally provide our clients with a summary of the sale which includes a narrative describing the results of the sale and market conditions, data on coupons, yields and takedowns, retail and institutional orders, an analysis of orders by category (i.e., net designated and member orders) and by underwriter, investor meetings, retentions, allotments, and a comparison of yields to various indices and similar issues.

1.5.3. Technical Approach – The Bidder/Proposer shall demonstrate in-house technical support, computer modeling, and financing analysis capabilities. Please provide professional biographies for the specific persons who will be performing technical/financial/credit analysis on this engagement on a full-time basis. In addition to professional backgrounds, licenses and certifications should be included, and any specific assignments that the Bidder/Proposer would be of particular interest or benefit to Hillsborough County should be highlighted

IN-HOUSE TECHNICAL CAPABILITIES. PRAG’s success is built on a history of providing comprehensive, high-quality, and independent advice to public sector issuers with respect to capital planning, credit rating strategy, debt portfolio management, debt management, swaps and derivative instruments, and bond proceeds investment strategies. To provide these services, PRAG has developed quantitative analytical tools, financial and debt management modeling capabilities, specialized refunding and call valuation programs and substantial credit expertise and market intelligence.

With our client base as some of the nation’s most frequent municipal issuers, PRAG is typically one of the first financial advisory firms exposed to the latest innovations in the marketplace. In fact, PRAG served as municipal advisor on two of the five 2021 regional Bond Buyer Deals of the Year recipients – the Midwest Deal of the Year was awarded to City of Detroit 2021 Neighborhood Improvement General Obligation Bonds and the Northeast Deal of the Year was awarded to the Metropolitan Transportation Authority (“MTA”), Payroll Mobility Tax Senior Lien Bonds.

To assist our clients to better understand their options and the long-term effects of critical decisions, PRAG designs comprehensive capital funding models incorporating various financial decision points, including multi-lien and multi-product debt structures, funding capital projects on a pay-as-you-go basis versus debt financing, the timing of bonds versus short-term financing issuances, the structure of long-term bonds, and the impact of different amortization structures on rates, fees, and rating agency-scrutinized financial ratios, among other factors. PRAG’s objective is to make even the most complex topics understandable to a wide audience, without overlooking challenges. These analyses are used to develop long-term financing strategies and are often useful tools in the capital budgeting and planning processes, as well as in developing strategies for maintaining the issuer’s credit position.

All our analytical services are offered in-house by PRAG advisors. We develop custom models using a combination of spreadsheet-driven templates, higher level computer languages (e.g., Visual Basic for Applications, or VBA), linear and non-linear optimization software modules, and “off-the-shelf” software (e.g., the industry-standard DBC Finance) to provide our clients with the analysis necessary to make informed decisions.

PRAG advisors have access to all the major municipal market information sources including *Bloomberg*, *TM3*, and *IPREO Gameday*. PRAG has subscriber-only access to the major rating agencies including Moody’s, Standard & Poor’s and Fitch. PRAG also subscribes to national business news sources such as *The Wall Street Journal* and local news sources such as the *Tampa Bay Times*, the *Tampa Bay Business Journal* and *Florida Trend*.

EXAMPLE OF TECHNICAL MANAGEMENT OF LARGE DEBT PORTFOLIO – CITY OF NEW YORK. PRAG has served as financial advisor to The City of New York since 1990 for NYC’s General Obligation Bonds and bonds issued through the New York City Transitional Finance Authority since it first was formed in 1997. NYC is one of the largest municipal issuers in the nation, with over \$84 billion of debt outstanding, including GO Bonds, TFA Future Tax Secured Bonds and TFA Building Aid Revenue

Bonds. Between GO and TFA, there are typically nine to ten bond issues a year of \$850 million or greater. As financial advisor to NYC, PRAG's role includes: (i) structuring of bond issues and reviewing structures proposed by underwriters by using our optimization model to best meet NYC's financing objectives while complying with New York State Local Finance Law ("LFL") and Federal tax law constraints; (ii) assisting with future debt issuances plans by monitoring the best sequencing of refundings based on call dates of outstanding bonds; (iii) advising on the pricing of each bond sale; (iv) advising on credit matters; (v) analyzing financing proposals submitted by underwriters; (vi) reviewing financing documents; and (vii) providing pre- and post-pricing analyses. We also provide NYC with weekly market updates on new issues that priced in the marketplace and forward issuance calendars.

PRAG uses our in-house, tailored financing model with linear programming add-in "What's Best!" to structure NYC's bonds. In light of New York State Law and Federal Tax Law constraints on the amortization of debt, given the varied uses of proceeds for NYC's capital program and because of NYC's own policy and budgetary objectives, achieving an optimal debt structure is nearly impossible using "off-the-shelf" software packages, such as DBC. Structuring refundings is even more complex given the large amount of debt outstanding. Our refunding model selects the bonds to be refunded to comply with NYC's savings requirements. We use our model to determine the optimal placement of tax-exempt, taxable, and variable rate components in the bond structure. NYC's refundings have become more complicated with the Federal tax law change prohibiting tax-exempt advance refundings along with the existing LFL amortization requirements and NYC's policy of no dissavings in any fiscal year. With a smaller universe of bonds that produce savings to choose from, there could be gaps in which taxable advance refundings or current refundings of variable rate bonds are required to meet LFL and City requirements. Given the complexity of identifying and structuring these transactions, PRAG's financing model is crucial to our advisory work for NYC.

TECHNICAL INNOVATIONS. The key to PRAG's ability to deliver innovation is our platform that puts senior-level partners with a broad understanding of market, technical, and legal developments in day-to-day contact with our clients and their specific financing needs. PRAG has developed and implemented many innovative solutions for issues facing our clients:

- We introduced the initial "Promise and Performance" Strategy (District of Columbia) for rating agency presentations that has helped several clients secure rating upgrades over time.
- We developed the first tobacco securitization (City of New York) in the country.
- We worked on the first Rate Reduction Bond Program (State of California) in the nation.
- Our firm proposed and helped implement the first commercial paper program (State of Connecticut) for both cash flow and capital funding requirements.
- We were the first financial advisor to implement Build America Bonds (State of California) and we structured the Notices of Sales for subsequent competitive sales (Commonwealth of Virginia) that allowed underwriters to decide which maturities would be sold as BABs and which as tax-exempt bonds so that the issue would receive overall lowest True Interest Cost ("TIC").
- We developed the first tax-exempt asset-backed program in the nation (New York City Transitional Finance Authority) supported by income and sales tax revenues.
- We structured the first competitive bidding of large bond issues by tranches with non-repeating maturities, so the winning bidders do not compete (State of California and State of New York).
- PRAG is the only municipal advisor who has advised borrowers on the Federal Reserve's Municipal Liquidity Facility ("MLF") program (State of Illinois and MTA).

PROFESSIONAL CREDENTIALS. For Hillsborough County, Wendell Gaertner, with 33 years of public finance experience, will continue to serve as Project Supervisor and primary point of contact. He will also be responsible for negotiating and executing all agreements with the County and providing oversight, supervision and strategic advice. He is a registered Series 50, Municipal Advisor Representative and a Series 54, Municipal Advisor Principal and is a long-time Hillsborough County resident. Natalie Sidor and Mickey Johnston will serve as Co-Project Managers and will have primary responsibility for delivering our advisory services to the County. Natalie has 17 years of public finance experience and Mickey has 14 years of public finance experience. Both Natalie and Mickey have been advising the County since they joined PRAG in 2018. In addition, Natalie covered the County from a banking/underwriting perspective from 2009 to 2018.

PRAG is committed to Florida and has substantially increased the level of service we can provide since our prior contract with the County was executed in 2017. In 2018 PRAG added Natalie Sidor, Molly Clark and Mickey Johnston, all three having significant public finance experience. This year Monique Spotts, a bond attorney with 35 years of experience joined PRAG. On a combined basis PRAG's Florida team offers the County over 150 years of Public Finance experience.

In addition to this primary team, Molly Clark, Senior Managing Director, will provide transactional support. As a registered Series 65, Investment Advisor Representative, Molly will also provide advisory services relating to the investment of bond proceeds as needed. Marianne Edmonds, Senior Managing Director, and Monique Spotts, Managing Director, will provide strategic support as well as affordable housing advisory services.

Unlike many advisors who have spent most, if not all, of their career as a municipal advisor, all of PRAG's Florida team have extensive experience in other aspects of public finance and have chosen to focus their career solely in the municipal advisory industry. Our experience includes investment banking, commercial banking, real estate development, law and general finance. This deliberate commitment to municipal advisory reflects the desire of our staff to work with our clients on a long-term basis. It also allows us to offer our clients the direct personal experience of how investment banks and commercial banks operate and what motivates and constricts their actions.

The team's professional backgrounds and experience with the County are summarized below. The resumes for the Project Supervisor and Co-Project Managers are detailed in our response to Question 1.5.4. Resumes for the rest of the team that will support the County are included as Appendix A.

Wendell Gaertner, Senior Managing Director

- Project Supervisor
- 33 years of municipal finance experience.
- Joined PRAG in 2013; Prior experience in commercial and investment banking Experience with state and local governments throughout Florida, including providing strategic advisory services and evaluation of P3s for economic development projects, real estate projects, transportation and affordable housing.
- MBA, Stetson University. B.S., University of Miami.
- Municipal Advisor Registered Representative; Municipal Advisor Principal.

Natalie Sidor, Senior Managing Director

- Co- Project Manager

- 17 years of municipal finance experience.
- Joined PRAG in 2018; 13 years in public finance at Raymond James.
- Experience with state and local governments throughout the Southeast and Florida, including utility, general obligation, special tax, appropriation, tax increments and assessment bonds.
- MBA, The Wharton School. B.S. in Finance and Economics, University of Tampa.
- Municipal Advisor Registered Representative.

Mickey Johnston, Managing Director

- Co-Project Manager
- 14 years of municipal finance experience.
- Joined PRAG in 2018; prior experience in financial analysis at a municipal accounting firm and a leading investment firm. Advises on general debt issuance, utility revenue bonds as well as P3 and economic development advisory services concerning tax abatements, inclusionary zoning and special assessments.
- B.B.A., James Madison University.
- Municipal Advisor Registered Representative.

Molly Clark, Senior Managing Director

- 20 years of municipal finance experience.
- Joined PRAG in 2018; 16 years in public finance at Wells Fargo and RBC Capital Markets.
- Experience with state and local governments throughout Florida, with a focus on utility systems, general obligation, revenue and appropriation backed debt.
- B.A. in Economics, Carleton College.
- Municipal Advisor Registered Representative.

Marianne Edmonds, Senior Managing Director

- 40 years of municipal finance experience.
- Established Marianne Edmonds, Inc. in 1997, acquired by PRAG in 2005. Manages PRAG's affordable housing practice in addition to her work with many of PRAG's general government clients. Also serves as PRAG's Chief Compliance Officer - municipal advisory practice and served as one of the Municipal Advisor Representatives on the Municipal Securities Rulemaking Board.
- MBA, The Wharton School / B.A., Northwestern University
- Municipal Advisor Registered Representative; Municipal Advisor Principal.

Monique Spotts, Managing Director

- 35 years of municipal finance experience.
- Joined PRAG in 2022. Extensive experience with state and local governments throughout Florida as former bond counsel and disclosure counsel with Bryant Miller Olive, P.A.. Experience includes all general governmental debt backed by all credit sources including non-ad valorem revenue bonds, utility debt and affordable housing.
- J.D., Valparaiso University School of Law / B.A., University of Michigan
- Municipal Advisor Registered Representative.

TECHNICAL APPROACH. Hillsborough County is a large and complicated organization with a variety of financial issues, many of which arise unexpectedly. As the County's municipal advisor PRAG works closely on a regularly basis with the Chief Financial Administrator and his team, including the Management and Budget Department and Debt and Financial Analysis as well as the Clerk of the Circuit Court's Chief Financial Officer and his accounting team as the group responsible for implementing and

managing the County's debt. PRAG has also worked with a variety of departments within the County to implement financings including Solid Waste, Water Resources, and Public Works. In addition, PRAG has assisted various departments with financial analysis and P3 advisory services including Fire Rescue, Facilities Management & Real Estate Services, Library Services, Public Works, Affordable Housing, and Management and Budget. We know the leadership of these Departments and the role they play to meet the County's mission.

PRAG's overall approach to planning and implementing a debt financing was presented in Question 1.5.2. We mentioned several programs that we are currently assisting the County in the strategic planning process, including the major financing for the County's Utility System. While the required costing and timing information is still being refined, PRAG would use the following technical approach in developing the strategic plan.

The County has currently identified the following water and wastewater projects in need of long-term financing. These projects are critical to existing and continued development in the South County area.

Project	Current Cost Estimate (Millions)	Initial Design Services Expected	GMP Expected
Balm Road Super Pump Station	\$40.000	July 2023	Aug 2024
Balm River Road Parallel Force Main	24.000	Aug/Sept 2023	Mar/May 2024
South County Drinking Water Facility (Phase 1)	30.600	May 2023	June 2024
South County One Water Campus AWWTF	275.000	Feb 2023	June 2024
South County OWC Pipeline – Reclaimed	62.500	Dec 2022	June 2023/Dec 2024
South County OWC Pipeline – Wastewater	47.500	Dec 2022	June 2023/Dec 2024
Tampa Bay Water – Potable TM	10.176		2023
Total	\$489.776		

The important considerations regarding the project list include:

- Initial Funding Needed in December 2022
- South County One Water Campus AWWTF represents 56% of total project costs; and,
- Construction commencement on the pipelines are uncertain, likely due to potential easement issues.

The County requires that funding be identified before contracts are let. The County also needs to comply with IRS spend-down requirements which require a reasonable expectation that the County will spend 85% of the bond proceeds within three years. PRAG is currently working with the County to develop an estimate of both initial design services costs and cash flow needs during construction. The County is currently estimating initial design services at approximately 20% of the total cost estimate. This, along with early payments due to Tampa Bay Water, result in an estimated need of approximately \$127 million for initial design services beginning in December. These services will be contracts that are separate from the construction contracts so full project financing does not need to be in place to fund the design work. The County has some funds on hand that can be used in conjunction with a Reimbursement Resolution and short-term credit facilities. Given the expected size of the funding for initial design services, we

expect one financing in early 2023 followed by a larger issue in early FY2024 to ensure compliance with the spend-down rules.

TECHNICAL WORK PRODUCT SAMPLES. We have included as Appendix B a small sampling of the work product we have produced for the County during the current contract term. This sampling illustrates our written communication, our graphic presentations and our custom financial modeling.

- 1) Memo Dated July 3, 2019 concerning proposed ELAPP bond issue structure;
- 2) Impact Fee Auction #1 Results;
- 3) 4th Cent TDT Model;
- 4) Library Site Market Sounding;
- 5) Anti-Dilution Model;
- 6) ELAPP Capacity Analysis; and,
- 7) Memo Dated July 19, 2022 concerning Sheriff's Operations Center Unsolicited Proposal.

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1.5.4. Qualifications – The Bidder/Proposer shall demonstrate its qualifications by attaching:

1.5.4.1. The names, backgrounds, and three (3) business references with office locations and phone numbers for the specific persons who will be assigned to this engagement on a full-time basis. Describe the professional backgrounds of these individuals, particularly their public finance and financial advisory experience in the State of Florida. Indicate each individual's responsibilities during the engagement. Please limit response to no more than three (3) pages in total.

The County will continue to deal most directly with the PRAG representatives detailed below who will be supported by Molly Clark, Marianne Edmonds and Monique Spotts in the Florida office and other PRAG professionals as needed.



PROJECT SUPERVISOR

Wendell Gaertner

Senior Managing Director

150 Second Avenue North, Suite 400
St. Petersburg, FL 33701
Tel 727-822-3339
Fax 727-822-3502
wgaertner@pragadvisors.com

Length of career in public finance

— 33 years

Professional Involvement

- Florida Government Finance Officers Association
- North American Public Private Partnership Deal of the Year, *Project Finance Magazine*
- North American Real Estate Deal of the Year, *Project Finance Magazine*

Business References

- **Hillsborough County**
Bonnie Wise, County Administrator
(813) 272-7418
- **Miami-Dade County Water and Sewer**
Frances Morris, CFO (786) 552-8104
- **Broward County**
George Tablack, CFO (954) 357-7130

Wendell Gaertner is a Senior Managing Director and Shareholder of PRAG. He joined the firm in 2013 and brings 33 years of experience in public finance at the local, regional, state and federal level. Wendell manages the firm's Florida office and will continue to serve as Project Supervisor for the County and will serve as the primary contact. Wendell will have primary responsibility to ensure the delivery of exceptional service to the County. He will provide strategic and transactional advice as well as advice related to economic development and public private partnerships.

Wendell has been advising the County for almost a decade and has a strong institutional knowledge of the County's debt portfolio. He understands why certain projects are financed with taxable commercial paper, how the County allocates the 4th and 5th cents of the TDT, why certain amounts of the Communication Services Taxes are restricted and the parameters for ELAPP borrowings, among others.

In addition to providing transactional advice for debt issuances, Wendell has also provided strategic financial advisory services including development of long-term financial models, creation of interim funding strategies, evaluation of public-private partnership opportunities and Value for Money analyses. He has advised clients on financial structures and strategies in connection with utility, economic development projects, real estate projects, transportation, Public Private Partnerships and affordable housing.

Wendell has served as an investment banker and financial advisor with Merrill Lynch, Banc of America Securities and Raymond James. He began his career as a commercial banker with Barnett Bank of Tampa. With over three decades of experience in finance, he has experienced multiple economic cycles, something of great importance in today's volatile markets.

Wendell received a B.S. in Chemistry with General Honors from the University of Miami in Coral Gables and an MBA from Stetson University. He is a registered Series 50, Municipal Advisor Representative and a Series 54, Municipal Advisor Principal and has resided in Hillsborough County for 36 years.



CO-PROJECT MANAGER

Natalie Sidor

Senior Managing Director

150 Second Avenue North, Suite 400
St. Petersburg, FL 33701
Tel 727-822-3339
Fax 727-822-3502
nsidor@pragadvisors.com

Length of career in public finance

— 17 years

Professional Involvement

- Florida Government Finance Officers Association
- Florida Women in Public Finance, *Founding Member (2016), President (2019), Board Member (2016-Present)*
- The University of Tampa Board of Fellows (*2013-present*)
- Raymond James Public Finance Banker of the Year (2012)

Representative Clients Served

- Hillsborough County
- Manatee County
- City of Clearwater
- City of Fort Myers
- Peace River Manasota Regional Water Supply Authority

Business References

- **Hillsborough County**
Julie Wisdom, Debt and Financial Analysis Manager (813) 272-6213
- **City of Fort Myers**
Holly Simone, Deputy Director of Finance (239) 321-7159
- **Peace River Manasota Regional Water Supply Authority**
Ann Lee, Finance & Budget Senior Manager (941) 316-1776

Natalie Sidor joined PRAG in 2018 and offers 17 years of corporate and public finance experience. At PRAG Natalie provides client support and transactional advisory services to Florida local governments, agencies, authorities, and special districts. Natalie currently serves or has recently served the following advisory clients: Hillsborough County, Manatee County, Escambia County, Clearwater, Fort Myers, Emerald Coast Utilities Authority, and the Peace River Manasota Regional Water Supply Authority, to name a few.

Natalie will continue to serve as Co-Project Manager for the County and will continue to be directly available to the County. Natalie will be responsible for providing strategic and transactional advice and to ensure the County's financings are executed efficiently.

Formerly with Raymond James and Associates, Inc., Natalie provided investment banking and advisory services to clients throughout the Southeast and Florida. While at Raymond James Natalie was responsible for evaluating, developing and executing financing solutions based on client objectives and market dynamics. During her time with Raymond James, Natalie was involved in the execution of \$4.5 billion of lead-managed municipal financings for state and local governments, primarily in Florida.

In addition to her extensive public finance experience, Natalie also has experience in real estate development and corporate finance. After receiving her MBA, Natalie was the Finance and Investments Manager for The Sembler Company, a real estate development company. Natalie began her career as an analyst in Corporate Investment Banking for Wachovia Securities, participating in deal teams for mergers and acquisitions advisory, debt private placements, strategic studies and valuations.

Natalie is a founding member of the Florida Chapter of Women in Public Finance, served as the President in 2019 and currently serves as an ex-officio member of the Board. Natalie also serves as a member of the University of Tampa Board of Fellows and the University of Tampa Educational Affairs Committee.

Natalie received a B.S. degree from the University of Tampa with a double major in finance and economics. Also, Natalie earned an MBA from The Wharton School of the University of Pennsylvania.

She is a registered Series 50, Municipal Advisor Representative.



CO-PROJECT MANAGER

Mickey Johnston

Managing Director

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Length of career in public finance

— 14 years

Professional Involvement

- Florida Government Finance Officers Association
- New Jersey Municipal Management Association, 2016 Presenter, “Municipal PILOT Agreements”

Representative Clients Served

- Hillsborough County
- City of Clearwater
- Florida League of Cities
- Manatee County
- City of Safety Harbor
- Broward County

Business References

- Hillsborough County
Tom Fesler, Chief Financial Administrator (813) 276-8282
- City of Clearwater
Jay Ravins, Finance Director (727) 562-4538
- Florida League of Cities
Paul Shamoun, Director of Financial Services (850) 701-3648

Michael “Mickey” Johnston joined PRAG in 2018 after spending over ten years advising municipalities across the State of New Jersey where he managed the financial analysis group for Lerch, Vinci & Higgins, a municipal accounting firm.

Mickey will continue to serve as Co-Project Manager for the County and will continue to be directly available to the County. Mickey will be responsible for providing strategic and transactional advice and to ensure the County’s financings are executed efficiently. Mickey will also provide custom financing modeling for the County for both debt and non-debt projects, especially those related to economic development, affordable housing and public private partnerships.

Since joining PRAG, Mickey has advised clients on various debt transactions including bond issues, bank loans, commercial paper notes, and other credit facilities. Mickey also has experience with P3 initiatives, actively builds custom financial models for clients, and structures cash flows utilizing the industry-standard DBC software. In addition, Mickey leverages Bloomberg, The Municipal Market Monitor (TM3), and other industry sources to provide clients with regular market updates.

Mickey supports some of the Florida office’s larger clients including Hillsborough County, Broward County, and Miami-Dade County, but he also plays a key role in advising smaller communities through PRAG’s relationships with the Florida League of Cities and Florida Municipal Loan Council.

Mickey has recently leveraged his prior experience by providing the City of Newark (N.J.), the largest city in New Jersey, with support concerning tax abatement agreement analysis and negotiation. He works closely with the City’s Economic & Housing Development department to execute financial agreements between the City and developers. Mickey also assists EHD with analysis utilized to strengthen existing ordinances, most notably the City’s inclusionary zoning ordinance which promotes equitable growth and increased affordable housing for low income residents.

Mickey has also recently assisted the City of Asbury Park, N.J. with PILOT and Special Assessment billing calculations in connection with the City’s Waterfront Area Redevelopment and Redevelopment Area Bond Program.

Aside from his work in public finance, Mickey also gained valuable experience as a Manager of Financial Analysis at Blackstone, one of the world’s leading investment firms, in New York City.

Mickey earned his B.B.A. in Finance from James Madison University. He is a registered Series 50, Municipal Advisor Representative.

1.5.4.2. At least one (1), and no more than three (3), examples of financing or financial management advice given to a client who, in the opinion of the Bidder/Proposer, represents innovative problem solving initiated by the Bidder/Proposer, or is otherwise of particular note. Please limit response to no more than three (3) pages in total.

Innovative Problem Solving Case Study #1 - Innovative Technique for Non-Bond Services Related to Economic Development Incentives (Hillsborough County)

Applicability to Hillsborough County



- *Broad range of debt and non-debt services for Hillsborough County.*
- *Ability to use innovative market-based solutions to solve non-bond problems.*
- *Development and execution of a unique impact fee auction.*

Serving Hillsborough County as financial advisor since 2012, PRAG has provided a variety of debt solutions as well as specialized advisory services for infrastructure projects including transportation, affordable housing, privatization, sports facilities and economic development. During the most recent contract cycle PRAG has advised Hillsborough County on the following debt issuances and non-bond projects:

Debt Issuances

- \$11,749,000 Capital Improvement Non-Ad Valorem Refunding Revenue Note (Warehouse and Sheriff's Facilities Project), Series 2017
- \$27,216,000 Capital Improvement Program Refunding Revenue Note, Series 2017
- \$275,541,017 Commercial Paper Restructuring;
- \$61,135,000 Community Investment Tax Refunding Revenue Bonds, Series 2018;
- \$42,835,000 Capacity Assessment Special Assessment Refunding Revenue Notes;
- \$142,720,000 Capital Improvement Non-Ad Valorem Revenue Bonds, Series 2019;
- \$103,780,000 General Obligation Refunding Bonds (Environmental Lands Acquisition and Protection Program), Series 2019A and B;
- \$90,375,000 Utility Refunding Revenue Bonds, Series 2019;
- \$22,000,000 Line of Credit (Solid Waste and Resource Recovery Note, Series 2020);
- \$189,290,000 Capital Improvement Non-Ad Valorem Revenue Bonds, Series 2021;
- \$275,541,017 Capital Improvement Program Commercial Paper Notes;
- \$58,040,000 Wastewater Impact Fee Assessment Special Assessment Revenue Bonds, Series 2021; and,
- \$174,935,000 Utility Revenue Bonds, Series 2021A and B; and,
- \$37,500,000 Line of Credit (Subordinate Utility Revenue Note, Series 2022).

Non-Bond Projects

- Court Fee Restructuring;
- Neighborhood Special Assessment District (Dana Shores);
- Midtown Development Project;
- Court Master Plan Analysis;
- Library P3 Market Sounding;
- Impact Fee Analysis;
- Impact Fee Offset Auction;
- Ybor City Redevelopment RFP;
- MOSI Redevelopment RFP;
- Affordable Housing;
- Film Studio RFP;
- Unsolicited P3 Proposal Analysis (Public Safety)
- Mosquito Helicopter Analysis (in process)

A project that we implemented for Hillsborough County that illustrates our ability to provide innovative solutions to financial problems - the development of the County's Impact Fee Offset Credit Auction. Hillsborough County has historically provided credits against future transportation impact fees to developers whose infrastructure investments benefit areas outside their development. By 2016 the amount of transportation offset credits had grown to \$100 million with no stated expiration dates. Hillsborough County had transitioned from a transportation impact fee program to a broader mobility fee program and desired to reduce the amount of offset credits outstanding to reduce its liabilities and provide a process to utilize the credits for future economic development projects. Although this was not a bond related transaction, Hillsborough County engaged PRAG to develop and implement a program that would provide an orderly and fair process for willing developers to sell their offset credits to Hillsborough County at a discount.

PRAG worked with Hillsborough County to develop a concept, document the process, coordinate communication with the development community, meet with offset owners, and obtain the required

County Board approvals. Owners of the credits could offer their credits for purchase at a discount. Hillsborough County would buy the credits offered at the lowest discount first, and then continue to purchase the next highest discount until all allocated funding was used.

Hillsborough County held a total of five auctions with the first occurring in July 2017 and the last in June 2019. In all, Hillsborough County has purchased \$69.8 million in face value of impact fee offset credits for a net outlay of \$47.9 million, a savings of over \$22 million. In addition, the program accelerates the conversion to a full mobility fee structure and a significant portion of the credits have been retained by Hillsborough County at their face value for future economic development incentives.

Innovative Problem-Solving Case Study #2 - Strategic Planning and Financial Modeling for a multi-billion dollar capital program (Miami-Dade County)

Applicability to Hillsborough County:



- *Demonstrates experience with developing financing programs to implement long-term capital plans for major utilities.*
- *Incorporates a variety of debt structures including commercial paper, WIFIA loan, Senior Bonds and Subordinate Bonds.*

One example of PRAG's ability to use innovative financial techniques and customized analytics as part of the long-term strategic planning process is our on-going work as financial advisor to Miami-Dade County's Water & Sewer Department ("WASD"). The example of our ability to develop sophisticated financial models would benefit the County in any financial planning capacity.

WASD is the largest water utility in the Southeastern United States serving over 450,000 retail water customers. With aging infrastructure and a growing population, the service area is uniquely situated next to the Florida Everglades. In addition to the geographical complexities of the service area, WASD's most significant financing challenge is navigating capacity constraints in light of its substantial CIP needs and forward-looking additional bonds test. WASD has long term capital improvement program in excess of \$7.5 billion in connection with Consent Decrees, system reconfiguration and deferred maintenance. This capital program is expected to last over 20 years and PRAG manages the financial modeling for future debt issues over the twenty-year period.

A core component of our work with WASD has been the development of a robust custom pro forma that brings operations, capital needs, and financing together in a single financial model. With this model, WASD can plan its future financings based on expected work schedules, determine the ability to meet rate covenants and additional bonds test, evaluate the impact of various rate increases, and see the potential impact on the major financial tests monitored by the rating agencies.

As WASD began gearing up its large capital program in 2016, PRAG recommended WASD establish a commercial paper program to provide funding on an as-needed basis for construction. As PRAG worked with staff to develop the long-term financial plan and budget for WASD, we realized that the restrictions placed on the system through its 23-year-old Senior Bond Ordinance would require careful structuring of the bank letters of credit supporting the CP program to avoid restricting WASD's future ability to issue debt under the various Additional Bonds Tests and to avoid potential problems in meeting future Rate Covenant tests.

PRAG structured the repayment of the letters of credit, therefore, on a subordinate basis to WASD's senior bonds and we took care to ensure that the term out payments each year would not cause the County to violate its Rate Covenant. PRAG used the financial model to run a large number of scenarios

since both the Additional Bonds Test and the Rate Covenant had to account for both senior and subordinate debt.

We then solicited international, national and regional banks through a formal RFP program to provide the letter of credit. After evaluation of the responses we recommended two banks at \$200 million each to optimize pricing and reduce risk. We conducted protracted and detailed negotiations with each bank and in the end structured one reimbursement agreement with an eight-year repayment on a subordinate basis. Because our model showed that under certain scenarios the County could face a rate covenant issue if all of the repayment was on a subordinate basis, we structured the reimbursement agreement for the second bank such that half of the repayment was secured on a subordinate basis over five years and the other half was only secured by the future issuance of debt. PRAG was able to obtain investment grade ratings on both credit facilities despite the limited security pledged to their repayment.

PRAG updates the financial model at least annually. By inputting WASD's anticipated monthly construction needs, the model calculates the expected issuance of commercial paper and the timing of the required take-out bonds. Using this information, PRAG assists WASD annually in proposing its recommended rate increases required to support its capital plan. Because of WASD's demonstrated financial capabilities, in January 2019 S&P upgraded WASD's ratings in the midst of its massive capital plan. According to the S&P analyst, "The upgrade reflects the county's demonstrated ability to generate revenue sufficient to support strong financial performance while it works through its substantial capital investment plan."

Late that year PRAG modified the model again to include the ability to incorporate federal EPA Water Infrastructure Finance and Innovation Act ("WIFIA") loans into WASD's capital plan. PRAG used the financial model to propose a structure for the WIFIA loan that deferred all payments until 2027 at which point WASD's maximum annual debt service dropped by approximately \$30 million, allowing the use of WIFIA funding without increasing MADS.

PRAG provided the loan structure for the County's WIFIA application. The WIFIA loan was structured on a subordinate basis and the County obtained SRF loans for the required local match. The first WIFIA loan for the County closed on March 22, 2019 in the amount of \$99.7 million. The County subsequently closed two more WIFIA loans, one for \$326.2 million which closed on May 28, 2020 and a third for \$235.2 million which closed on July 15, 2020.

WASD did not have enough SRF capacity to provide the required local match. WASD did not want to use senior bonds for the match because WIFIA would then require their loans to be in a senior position. PRAG structured future funding of capital markets subordinate bonds to provide the match, which would be WASD's first issuance of subordinate bonds. PRAG used the financial model to show WIFIA WASD's capacity to issue the subordinate bonds. After reviewing the model results, WIFIA did not require the County to issue the subordinate bonds prior to closing on the WIFIA loans, which provided substantial interest rates savings.

PRAG most recently used the model to design and implement a financial plan that allowed Miami-Dade County's Water and Sewer Department to borrow over \$1.265 billion in the spring and summer of 2021 in a combined plan of finance to take advantage of current low interest rate conditions, diversify its funding alternatives and maximize federal funding capacity for its Water and Sewer Department. The County issued its \$605,600,000 Water and Sewer System Revenue Bonds, Series 2021 in late April 2021, its \$236,135,000 Subordinate Water and Sewer System Revenue Bonds, Series 2021 in early July 2021 and closed its fourth WIFIA loan of \$424 million in September 2021.

1.5.4.3. A description of the firm's longevity as a municipal financial advisor, the number of employees and the number of whom are professional staff, and a description of the ownership structure and business dealings of parent companies, if any. Please limit response to no more than two (2) pages.

PRAG has served as municipal advisor to Hillsborough County continuously since 2012. During our most recent contract term, PRAG has provided the County with comprehensive and customized advisory services resulting in:

- Successful closing of \$860 billion of bond and bank loan financings to fund projects including general government, CIT, ELAPP, solid waste and water and wastewater.
- Successful closing of interim financing programs including commercial paper and lines of credit for general government purposes and for solid waste.
- Aggregate debt service savings of over \$40 million achieved through refunding transactions.
- Maintenance of the County's strong AAA Issuer Credit Ratings as well as its CIT and TDT ratings during the COVID-19 pandemic.
- Development and implementation of an Impact Fee Offset Credit Auction.
- Development of new wastewater-only special assessment credit.
- Creation of multiple customized strategic and financial planning models.
- Expansion of services to include real estate development and P3 advisory services.

Founded in 1985, Public Resources Advisory Group, Inc. ("PRAG") is an independent financial, investment and swap advisory firm. PRAG provides independent and in-depth financial and investment advisory services to state and local governments, authorities and agencies and has continuously served governmental entities for the 37 years that our firm has been in business. PRAG is registered as a Municipal Advisor with the MSRB (MSRB ID K0133) and the SEC (Municipal Advisor Registration Number 867-00146). In addition, PRAG is registered as an investment adviser under the Investment Advisers Act of 1940 in the states of California, Florida, Maryland, New York, Pennsylvania, and the District of Columbia.

PRAG provides independent and in-depth financial and investment advisory services to state and local governments, authorities and agencies and has continuously served governmental entities for the 37 years that our firm has been in business. **PRAG has no affiliates or subsidiaries.**

PRAG has five offices, including our headquarters in New York's financial district, and offices in suburban Philadelphia, Los Angeles, Oakland and St. Petersburg, with a total of 38 employees. The size of our firm is large enough to provide corporate efficiencies and a broad view of the market, but small enough to allow our advisors to know each other and maintain direct relationships and lines of communication, allowing us to effectively leverage the knowledge of the firm.

PRAG's municipal advisors are drawn from diverse backgrounds, including issuers, credit analysts, bond attorneys, and public finance investment bankers – creating a team with the highest degree of credit expertise, knowledge of the public capital markets, superior quantitative skills and in-depth appreciation of the unique challenges borrowers face in the municipal market. As a result, we advise our numerous clients across all aspects of their financing needs.

PRAG is organized as a subchapter S corporation and is wholly-owned and managed by its employees. **Minorities and women own fifty percent (50.1%) of the firm. Fifteen (15) of the thirty-eight employees are PRAG's shareholders.**

One of the defining characteristics of PRAG is our reliance on senior staff members to perform the majority of our analysis and communication. Most of the work product we produce is the direct work of advisors with many years of experience through multiple market cycles. **PRAG has a fully staffed, accessible Florida team with six senior advisors representing 150 years of combined municipal finance experience.**

In 2018, PRAG significantly expanded its Florida presence with the hiring of Natalie Sidor, Senior Managing Director, Molly Clark, Senior Managing Director, and Mickey Johnston, Managing Director. Ms. Sidor and Ms. Clark each came to PRAG after having spent 15+ years working on the underwriting/ investment banking side of the municipal finance business, with the majority of their careers focused on entities throughout Florida, while Mr. Johnston previously spent ten years as a financial analyst with a municipal accounting firm in New Jersey. They joined long-time PRAG advisors, Marianne Edmonds and Wendell Gaertner, each with over 30 years of public finance experience. Our most recent addition to the Florida team is Monique Spotts, a public finance professional with 35 years of experience as a bond attorney.

PRAG's full team of advisors will be available as resources to the core team, either for market, credit, industry, or transactional information. We take pride in our team-based coverage approach, and we believe the success of this approach is demonstrated by the growth we have experienced in Florida since we most recently formally presented our credentials to the County during the last RFP process in 2017.

PRAG Professionals			
	Senior Level	Associate Level	Support Staff
New York, NY	10	3	9
Media, PA	2	2	0
St. Petersburg, FL	6	0	1
Los Angeles, CA	3	0	1
Oakland, CA	1	0	0
Total	22	5	11

PRAG's Florida Clients Added Since 2017		
Issuer	Type	Engagement Year
City of Wildwood	Municipality	2022
Peace River Manasota Regional Water Authority	Multi-County Authority	2022
Columbia County	County	2022
Sumter County	County	2022
Venetian Community Development District *	Special District	2021
University Place Community Development District *	Special District	2021
City of Largo	Municipality	2021
Emerald Coast Utility Authority	County Authority	2021
Village of Pinecrest *	Municipality	2021
St. Johns County Housing Finance Authority	County Authority	2020
Manatee County Port Authority	County Authority	2020
Volusia County Housing Finance Authority	County Authority	2020
Clay County Housing Finance Authority	County Authority	2020
City of Palm Bay	Municipality	2020
Florida Department of Transportation	State Agency	2020
City of Auburndale *	Municipality	2019
City of Clearwater	Municipality	2019
City of Fort Myers	Municipality	2019
City of Safety Harbor	Municipality	2018
City of Treasure Island	Municipality	2018
Village of Estero *	Municipality	2018
Escambia County	County	2018
Manatee County	County	2017

* Transactional Engagement

1.5.5. Cost – The Bidder/Proposer shall demonstrate a cost-effective approach and communicate the firm's rates in the attached Per Bond Fee Schedule and Hourly Rate Schedule.

PRAG's Proposed Per Bond Fee and Hourly Rate Schedule is attached.

Per Bond Fee Schedule and Hourly Rate Schedule Attachment A

Part A. Please attach the complete fee schedule. The schedule should include, but may not be limited to, all hourly fee rates, transactional fees, out-of-pocket expenses, and any associated surcharges or fees.

PRAG proposes keeping the same Per Bond Fee arrangement but rearranging the fee structure between refunding and new money transactions.

Currently, PRAG's fee for new money bond issues is \$0.75 per bond for amounts up to \$50 million and \$0.50 per bond thereafter. The fee for refunding bond issues is \$1.00 per bond for amounts up to \$50 million and \$0.75 per bond thereafter. Over the past contract cycle, however, it has become clear that new money bond issues take substantially more time as PRAG works to develop the capital plan and sometimes implements a new credit structure. We are proposing that the new money and refunding bond rates be switched while bank loan Per Bond Fees remain the same. We also propose that the minimum fees for bank loans increase slightly to \$17,500.

	Unit Price Fee New Money Bond Issue	Unit Price Fee Refunding Bond Issue	Unit Price Fee New Money Bank Loan	Unit Price Fee Refunding Bank Loan
First \$50 million (per \$1,000 of bonds)	\$1.00	\$0.75	\$0.75	\$0.75
Anything over \$50 million (per \$1,000 of bonds)	\$0.75	\$0.50	\$0.50	\$0.50
Minimum Fee (per transaction)	\$20,000	\$17,500	\$17,500	\$17,500

PRAG is recommending a reduction the fees charged in connection with the County's Commercial Paper program given PRAG's familiarity with both renewing the existing program and establishing a new program.

Due to our location within the Tampa Bay area, PRAG will waive all out-of-pocket expenses except for out of state travel related to a bond pricing or rating agency presentation. PRAG will not charge for travel, parking or meals within the State of Florida.

**Per Bond Fee Schedule and Hourly Rate Schedule
Attachment A**

Part B. Using the fee schedule provided as the response to Part A, please list the total cost of the transaction for each respective line of the following table. The table will be used in the evaluation of Transaction Fee rates provided by the Proposers. The actual transactions will vary. Indicate the total cost of the transaction for each respective line (i.e. Line 1 is the Proposer's fee for a \$65,000,000 New Money bond issue, Line 4 is the Proposer's fee for a \$20,000,000 Refunding bond issue, etc.) Surcharges or similar fees, if any, and estimated reimbursable expenses should be included as part of the total cost of the related transaction.

	Bond Issues		Bank Loans		Comm. Paper (per \$1,000 of Notes)		Estimated Out of Pocket Expenses	Proposer's Total Charge for this Transaction
	New Money	Refunding	New Money	Refunding	Existing Program	New Program		
1	\$65,000,000 (a)						\$0	\$61,250
2		\$40,000,000 (a)					\$0	30,000
3	\$150,000,000 (b)						\$0	125,000
4		\$20,000,000 (b)					\$0	15,000
5	\$60,000,000 (c)						\$0	57,500
6		\$50,000,000 (c)					\$0	37,500
7	\$200,000,000 (d)						\$0	162,500
8		\$150,000,000 (d)					\$0	87,500
9			\$40,000,000				\$0	30,000
10				\$60,000,000			\$0	42,500
11					\$250,000,000		\$0	50,000
12						\$250,000,000	\$0	75,000
13								
						Total	\$0	\$773,750

- (a) Assume the bonds to be issued will be general obligation bonds
- (b) Assume the bonds to be issued will be enterprise debt
- (c) Assume the bonds to be issued will be special assessment bonds
- (d) Assume the bonds to be issued will be governmental revenue bonds

**Per Bond Fee Schedule and Hourly Rate Schedule
Attachment A**

Part C. Using the fee schedule provided as Part A, please list the total cost of the hourly work shown below.

	County's Position Description	Proposer's Equivalent Title	Estimated Hours Over Term	Total Hourly Fees
1	Managing or Executive Director	Senior Managing Director	150	\$300
2	Senior or Executive Manager	Managing Director	150	\$250
3	Manager	Vice President/ Assistant Vice President	75	\$190
4	Analyst or Associate	Analyst/Associate	75	\$170
			Total	\$109,500

We are proposing an average 10% increase in our base hourly fee scale from 2017 due to general inflation and increasing regulatory compliance costs. Alternatively, we are willing to discuss smaller increases each year through the term of the contract. We believe these fees are reasonable, but we will not lose the County's business over fees.

Appendix A - Resumes



Molly Clark
Senior Managing Director

150 Second Avenue North, Suite 400
St. Petersburg, FL 33701
Tel 727-822-3339
Fax 727-822-3502
mclark@pragadvisors.com

Length of career in public finance
— 21 years

Professional Involvement

- Florida Government Finance Officers Association
- Florida Women in Public Finance
*Founding Member (2016);
Communications Chair (2016-present);
Board Member (2018-present)*

Representative Clients

- City of Tampa
- City of Palm Bay
- City of Palmetto
- Miami-Dade County
- Pinellas County

Education, Registrations & Certifications

- BA, Carleton College
- Series 50 (Municipal Advisor Representative)

Molly Clark joined PRAG in 2018 as a Managing Director bringing over 20 years of public finance experience. Molly serves PRAG's general government clients including cities, counties, and special districts providing both analytical and transactional support. She works closely with PRAG clients in both debt financing and general advisory capacities.

Molly works with many long-term PRAG clients and has also been involved in the onboarding of various new clients in the past two years. Molly provides in-depth financial analysis, policy review, and ongoing client support. Sample clients include Broward County, Miami-Dade County Water and Sewer Department, Pinellas County, and the City of Tampa.

Molly was previously employed as a public finance banker with Wells Fargo Securities and RBC Capital Markets, where she provided investment banking to clients throughout the State of Florida. She was involved in planning, structuring, and executing tax-exempt and taxable bond financings through the capital and bank markets, and also served as a liaison between municipal issuers and the banks' commercial banking relationship managers.

Molly is a founding member of the Florida Chapter of Women in Public Finance and currently serves on the Board as Communications Chair.

Molly received a B.A. degree in economics cum laude from Carleton College. She is a registered Series 50, Municipal Advisor Representative.



Marianne Edmonds
Senior Managing Director

150 Second Avenue North, Suite 400
St. Petersburg, FL 33701
Tel 727-822-3339
Fax 727-822-3502
medmonds@pragadvisors.com

Length of career in public finance

- 40 years

Professional Involvement

- Leadership Florida (1994 – ongoing)
- Florida Prepaid College Board, *Vice Chair* (2007-2010)
- Municipal Securities Rulemaking Board, *Member* (2012-2015)
- Florida Women in Public Finance, *Founding President* (2015-2017)
- The National Association of Municipal Advisors, *Board Member* (2017-2019)

Representative Clients Served

- State of Florida
- Pinellas County
- City of Tampa
- Florida League of Cities
- Miami-Dade County Housing Finance Authority

Education, Registrations & Certifications

- MBA, The Wharton School of the University of Pennsylvania
- BA, Northwestern University
- Series 50 (M.A. Representative)
- Series 54 (M.A. Principal)

A long-time St. Petersburg resident, Marianne Edmonds is a Senior Managing Director and a shareholder with PRAG. As an independent municipal advisor since the early 1990s, she is one of the most experienced municipal advisors in the industry.

Marianne offers a comprehensive knowledge of local and national public finance. A former educator, she is particularly respected for both her ability to understand and communicate financial issues as well as her integrity as a financial advisor.

During her tenure in public finance Marianne has developed and implemented financing plans for general governmental capital projects, utility systems, resource recovery plants, housing, and sports facilities, among others, and has worked with a variety of financing structures including long term debt, short term debt including commercial paper, leases and bank loans. She is familiar with the security sources available to Florida local governments, including ad valorem revenues, non-ad valorem revenues, system revenues, user fees, sales taxes, public-private partnerships, and the covenant to budget and appropriate from legally available revenues.

Marianne currently manages PRAG's affordable housing practice in addition to her work with many of PRAG's general government clients. Marianne also serves as PRAG's Chief Compliance Officer for our municipal advisory practice.

Marianne served as one of the Municipal Advisor Representatives on the Municipal Securities Rulemaking Board, the self-regulatory organization for the municipal bond market. She previously served as Vice Chairman of the Florida Prepaid College Board and its Investment Committee. Ms. Edmonds is a member of Leadership Florida and served as President of the Florida Chapter of Women in Public Finance. She currently services as a Board member for the Foundation for a Healthy St. Petersburg.

She earned a B.A. degree in mathematics from Northwestern University and an M.B.A. with specialization in public management and finance from The Wharton School of the University of Pennsylvania.

She is a registered Series 50, Municipal Advisor Representative and a Series 54, Municipal Advisor Principal.



Monique Spotts
Managing Director

150 Second Avenue North, Suite 400
St. Petersburg, FL 33701
Tel 727-822-3339
Fax 727-822-3502
mspotts@pragadvisors.com

Length of career in public finance

- 35 years

Professional Involvement

- The Florida Bar
- National Association of Bond Lawyer
- Florida Women in Public Finance, *Founding President (2020-2021)*

Education, Registrations & Certifications

- J.D. Valparaiso University School of Law
- BA, University of Michigan
- Series 50 (M.A. Representative)

Monique Spotts is a Managing Director with PRAG. She has been a municipal bond and disclosure attorney for 35 years in the State of Florida and offers comprehensive knowledge of both state and national public finance. In addition to her bond and disclosure counsel experience, Monique is a registered Series 50 Municipal Advisor Representative.

During her long career in public finance Monique has acted in different capacities on municipal debt financings for general governmental capital projects, utility systems, road systems, conduit financings, 501c3 transactions, public private partnerships, new market tax credit transactions, higher education, airport, special assessment districts, fire assessment bonds, and community redevelopment districts among others, and has worked with a variety of financing structures including long term debt and short term debt including commercial paper, leases, private placements, competitive offerings, public offerings, bank loans, forward refundings, and taxable financings.

She is familiar with all aspects of the security sources available to Florida local governments, including ad valorem revenues, non-ad valorem revenues, system revenues, user fees, sales taxes, tourist development taxes, utility taxes, and covenants to budget and appropriate from legally available revenues. Monique also has extensive experience in both multifamily and single-family affordable housing and programs related to the support of public housing.

Monique earned a B.A. degree from the University of Michigan and a J.D. from Valparaiso University School of Law.

Monique is a member of The Florida Bar and the National Association of Bond Lawyers and served as President of the Florida Chapter of Women in Public Finance for calendar years 2020 and 2021.

She is a registered Series 50, Municipal Advisor Representative.

Appendix B – Work Product Samples

ADDENDUM C - WORK PRODUCT EXAMPLES

Work Product Example #1 - Memo Dated July 3, 2019 concerning proposed ELAPP bond issue structure

The memo is an example of the written communication PRAG provides. The memo concisely presents the background, the debt structure, the financial impact on the County and the path forward.

Work Product Example #2 - Impact Fee Auction #1 Results

This spreadsheet tabulates the results of the County's first Impact Fee Offset Buy-Back Auction. PRAG developed a spreadsheet that filled orders to sell based on the Offset price offered by the holders. Only the first tab of the spreadsheet is presented. In this auction the County purchased \$14.1 million of credits for \$10 million. PRAG successfully conducted four more auctions for the County.

Work Product Example #3 - 4th Cent TDT Model

Working with County staff, PRAG developed models to project both the 4th cent and the 5th cent of the County's Tourist Development Taxes. Each penny of the TDT is allocated differently and with different priorities included debt to which the TDT is pledged, other debt that is paid by the TDT even though the debt is legally secured by another revenue source, commercial paper borrowings and repayments, and obligations to the team/sports facility.

Work Product Example #4 - Library Site Market Sounding

The County asked PRAG to evaluate the potential for a public-private partnership at the main library site downtown. PRAG developed a detailed market sounding (only the cover is presented due to page limitations), distributed it to national, regional and local developers and P3 participants and facilitated individual conversations with County staff and the private parties to gauge their interest and approach to such a project.

Work Product Example #5 - Anti-Dilution Model

PRAG developed and maintains a robust model to track the County's anti-dilution test in connection with debt for which the County covenants to budget and appropriate repayment of the debt from all legally available non-ad valorem sources. PRAG updates the model at least annually or when additional debt with the pledge is issued.

Work Product Example #6 - ELAPP Capacity Analysis

PRAG has been tracking the proceeds that would be available at the current millage rate for the issuance of additional debt under the ELAPP authorization.

Work Product Example #7 - Memo Dated July 19, 2022 concerning Sheriff's Operations Center Unsolicited Proposal;

PRAG was requested earlier this year to evaluate an unsolicited proposal the County received in which a private developer would build and lease to the County a new Sheriff's operations center in exchange for the real estate where the current operations center is located in Ybor City.

Work Product Example #8 - Electronic Order Entry Model

This is a proprietary model PRAG developments that downloads data from *lpreo's* Gameday electronic order entry system and consolidates all of the information on a single page to allow more informed decision making in a negotiated sale.

Work Product Example #9 - Option Adjusted Spread Model

This is a proprietary model PRAG developed that evaluates couponing proposals from underwriters on an option adjusted spread basis. This helps the County evaluate whether to cash flow benefit from lower coupons offsets the limitation on future refunding savings on an option adjusted spread basis.



PUBLIC RESOURCES ADVISORY GROUP

MEMORANDUM TO: Bonnie Wise, Deputy County Administrator & Chief Financial Administrator, Hillsborough County

FROM: Public Resources Advisory Group

SUBJECT: General Obligation Refunding Bonds (Environmental Lands Acquisition and Protection Program), Series 2019A and General Obligation Bonds (Environmental Lands Acquisition and Protection Program), Series 2019B

DATE: July 3, 2019

On November 4, 2008 the voters of Hillsborough County approved the issuance of up to \$200 million in general obligation bonds to fund the acquisition, preservation, protection, management and restoration of certain environmentally sensitive lands under the County's ELAPP program. On December 29, 2009 the County issued its Series 2009A bonds with a principal amount of \$11,305,000 and its Series 2009B bonds with a principal amount of \$48,125,000. Including the gross premium amounts for each series, this represented a total issuance amount of \$60,267,110.50 of the \$200 million authorized.

The Series 2009A bonds matured on July 1, 2019. The Series 2009B bonds were issued with a thirty-year maturity of July 1, 2039. The Series 2009B bonds have reached their first call date and can be refunded for debt service savings. The issuance of refunding bonds does not count against the \$200 million authorized by voters.

The County has been collecting 0.0604 mills for payment of the Series 2009 Bonds and with the growth in the tax base the County currently has approximately \$5.8 million in excess funds that must be used to refund the Series 2009B bonds. Using these funds to pay down the Series 2009B bonds will create additional capacity for new bonds.

Under current market conditions, we estimate that a refunding of the Series 2009B bonds will save approximately \$6.5 million on a net present value basis (after netting out the \$5.8 million cash on hand). This represents approximately 13.6% of the par amount of the Series 2009B bonds. The gross cash flow savings is estimated to be approximately \$15.6 million.

The Series 2009B bonds were issued as taxable Build America Bonds in which the County issued taxable bonds and received a subsidy from the federal government to offset the interest cost. The federal subsidy was originally set at 35% of the amount of interest paid annually, but the amount of subsidy has been reduced as a result of sequestration cuts to the federal budget. The subsidy level for fiscal year 2019 is 32.83%.

The Series 2019A bonds issued to refund the 2009B bonds will be traditional fixed rate tax-exempt debt, eliminating the risk of continued or future federal subsidy reductions. The maturity date of the refunding bonds will remain the same at July 1, 2039.

The Series 2019B bonds will be issued to acquire additional properties under the ELAPP program, including the refinancing of some property previously purchased using the County's commercial paper program. The Series 2019B bonds will have a thirty-year maturity but principal amounts will be reduced during the first twenty years to allow for level combined debt service between the Series 2019A and Series 2019B bonds.

The Series 2019B bonds are being sized to allow overall level debt service at the current millage rate for the ELAPP program of 0.0604. Under current market conditions the Series 2019B bonds are expected to produce approximately \$62.5 million in new funding for the ELAPP program.

The Series 2019 bonds will be rated by Moody's, Fitch and Standard & Poor's and as general obligation bonds they are expected to receive the County's highest credit ratings of Aaa/AAA/AAA. Due to the expected ratings of the bonds, the market recognition of the County and the relatively limited supply of new issues in the municipal bond market, we recommend a competitive sale of the bonds to the bidder offering the lowest TIC.

Hillsborough County, FL
 Transportation Impact Fee Offset Buy-back
 Auction Dated 7/11/17
 BIDS OFFERED

RESULTS AS OF JULY 27, 2017 10:30 A.M.

Line Number	Name of Offset Owner	Offset Account Number	Zone	Offset Balance	Face Value of Offsets Offered	Offset Price	Net Purchase Price of Offsets Offered	Percent of Offered Offsets Purchased by County	Face Value of Offsets Purchased by County	Net Purchase Price of Offsets Purchased by County
1	Thornton Inc	795	10	\$56,476.80	\$10,000.00	74%	\$7,400.00	100.00%	\$10,000.00	\$7,400.00
2	Thornton Inc	795	10	\$56,476.80	\$1,000.00	64%	\$640.00	100.00%	\$1,000.00	\$640.00
3	Thornton Inc	795	10	\$56,476.80	\$10,000.00	79%	\$7,900.00	0.00%	\$0.00	\$0.00
4	Thornton Inc	795	10	\$56,476.80	\$20,000.00	69%	\$13,800.00	100.00%	\$20,000.00	\$13,800.00
5	Thornton Inc	795	10	\$56,476.80	\$5,476.80	60%	\$3,286.08	100.00%	\$5,476.80	\$3,286.08
6	Thornton Inc	795	10	\$56,476.80	\$1,000.00	80%	\$800.00	0.00%	\$0.00	\$0.00
7	South Shore Corporate Park LLC	719	9	\$12,850,617.63	\$4,000,000.00	64%	\$2,560,000.00	100.00%	\$4,000,000.00	\$2,560,000.00
8	South Shore Corporate Park LLC	719	9	\$12,850,617.63	\$3,000,000.00	59%	\$1,770,000.00	100.00%	\$3,000,000.00	\$1,770,000.00
9	South Shore Corporate Park LLC	719	9	\$12,850,617.63	\$3,000,000.00	69%	\$2,070,000.00	100.00%	\$3,000,000.00	\$2,070,000.00
10	The Oasis at Brandon II LLC	942	7	\$92,898.91	\$66,887.22	72%	\$48,158.80	100.00%	\$66,887.22	\$48,158.80
11	The Oasis of Brandon LLC	831	DISQUALIFIED - BELOW MINIMUM OFFER AMOUNT				\$0.00	0.00%		
12	Lang Environmental Inc	658	DISQUALIFIED - UNVERIFIED ACCOUNT OWNERSHIP				\$0.00	0.00%		
13	Laxer Family Limited Partnership	892	10	\$727,776.66	\$350,000.00	75%	\$262,500.00	100.00%	\$350,000.00	\$262,500.00
14	The Parkview 1983 Trust	351	7	\$280,658.00	\$280,658.00	72%	\$202,073.76	100.00%	\$280,658.00	\$202,073.76
15	McDonald's USS, LLC, a Delaware limited liability corp.	601	9	\$103,798.56	\$103,798.56	50%	\$51,899.28	100.00%	\$103,798.56	\$51,899.28
16	Camden Westchase LLC	784	1	\$133,712.45	\$133,712.45	70%	\$93,598.72	100.00%	\$133,712.45	\$93,598.72
17	Albertsons Shopping Center - Lihtmiller Inc	361	7	\$115,309.89	\$115,309.89	80%	\$92,247.91	0.00%	\$0.00	\$0.00
18	Highwoods Realty Limited Partnership	411	DISQUALIFIED - UNVERIFIED ACCOUNT OWNERSHIP				\$0.00	0.00%		
19	First Industrial Development Services Inc	478	7	\$308,256.30	\$231,192.23	75%	\$173,394.17	100.00%	\$231,192.23	\$173,394.17
20	Florida Capital Real Estate Partners 27 Ltd	826	8	\$703,855.19	\$703,855.19	57%	\$401,197.46	100.00%	\$703,855.19	\$401,197.46
21	Diadem LLC	652	8	\$442,836.81	\$250,000.00	78%	\$195,000.00	0.00%	\$0.00	\$0.00
22	Rodriguez-Hoffman Group Inc	326	DISQUALIFIED - NOT ROUND INTEGER				\$0.00	0.00%		
23	John Falkner	642	9	\$2,260,000.00	\$2,260,000.00	79%	\$1,785,400.00	0.00%	\$0.00	\$0.00
24	John Falkner	756	9	\$1,165,000.00	\$1,165,000.00	79%	\$920,350.00	0.00%	\$0.00	\$0.00
25	Kings Mill Commercial	576	DISQUALIFIED - BID ABOVE MAXIMUM PRICE				\$0.00	0.00%		
26	A Willing Seller LLC - US Ameri Bank (as collateral)	820	7	\$2,037,584.54	\$275,000.00	76%	\$209,000.00	7.09%	\$19,495.16	\$14,816.32
27	A Willing Seller LLC - US Ameri Bank (as collateral)	820	7	\$2,037,584.54	\$275,000.00	77%	\$211,750.00	0.00%	\$0.00	\$0.00
28	A Willing Seller LLC - US Ameri Bank (as collateral)	820	7	\$2,037,584.54	\$275,000.00	78%	\$214,500.00	0.00%	\$0.00	\$0.00
29	A Willing Seller LLC - US Ameri Bank (as collateral)	820	7	\$2,037,584.54	\$275,000.00	74%	\$203,500.00	100.00%	\$275,000.00	\$203,500.00
30	A Willing Seller LLC - US Ameri Bank (as collateral)	820	7	\$2,037,584.54	\$275,000.00	75%	\$206,250.00	100.00%	\$275,000.00	\$206,250.00
31	A Willing Seller LLC - US Ameri Bank (as collateral)	820	7	\$2,037,584.54	\$275,000.00	79%	\$217,250.00	0.00%	\$0.00	\$0.00
32	A Willing Seller LLC - US Ameri Bank (as collateral)	820	7	\$2,037,584.54	\$287,584.54	80%	\$230,067.63	0.00%	\$0.00	\$0.00
33	1320 33 Street SE LLC	871	7	\$8,675.00	\$8,675.00	80%	\$6,940.00	0.00%	\$0.00	\$0.00
34	Pulte Homes Magnolia Park - T/Row Zone 8	835	8	\$4,554,736.37	\$1,000,000.00	55%	\$550,000.00	100.00%	\$1,000,000.00	\$550,000.00
35	Pulte Homes Magnolia Park - T/Row Zone 8	835	8	\$4,554,736.37	\$1,000,000.00	60%	\$600,000.00	100.00%	\$1,000,000.00	\$600,000.00
36	Pulte Homes Magnolia Park - T/Row Zone 8	835	8	\$4,554,736.37	\$1,000,000.00	65%	\$650,000.00	100.00%	\$1,000,000.00	\$650,000.00
37	5th 3rd Bank	589	10	\$65,972.49	\$65,972.49	80%	\$52,777.99	0.00%	\$0.00	\$0.00
38	301 Big Bend LLC	937	7	\$100,000.00	\$100,000.00	60%	\$60,000.00	100.00%	\$100,000.00	\$60,000.00
39	6771 Madison LLC	789	8	\$55,511.00	\$55,511.00	50%	\$27,755.50	100.00%	\$55,511.00	\$27,755.50
40	Chuo Properties LLC	742	DISQUALIFIED - UNVERIFIED ACCOUNT OWNERSHIP				\$0.00	0.00%		
41	Glenhaven Plaza (aka Glenhaven Associates)	104	7	\$1,841.97	\$1,841.97	70%	\$1,289.38	100.00%	\$1,841.97	\$1,289.38
42	CK Holdings of Tampa LLC	829	7	\$37,920.71	\$37,920.71	75%	\$28,440.53	100.00%	\$37,920.71	\$28,440.53
							\$20,915,396.05		\$14,129,167.21	\$15,671,349.29
									\$10,000,000.00	

Hillsborough County, Florida
4th Cent TDT Analysis
As of April 18, 2017

Assumed 4th Cent TDT Flow of Funds:

- 1) Debt Service on 4th Cent TDT Refunding Revenue Bonds, Series 2017
- 2) Allocated Debt Service on CIP Revenue Refunding Bonds, Series 2016
- 3) Repayment of CP Advanced to Fund Stadium

0.0% TDT Revenue Growth; \$6.0 mm Base Revenues

Fiscal Year Ending (9/30) Includes Payments Due 10/1		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
4th Cent TDT Funds on Hand (excess from prior years)		0.0	3,118.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,351.9	5,305.2	8,931.9	12,367.3
Gross New 4th Cent TDT Revenues		6,000.0	6,000.0	6,000.0	6,000.0	6,000.0	6,000.0	6,000.0	6,000.0	6,000.0	6,000.0	6,000.0	6,000.0	6,000.0
County 4th Cent TDT Revenues Available		6,000.0	9,118.3	6,000.0	6,000.0	6,000.0	6,000.0	6,000.0	6,000.0	6,000.0	8,351.9	11,305.2	14,931.9	18,367.3
Assumed TDT New Revenues Growth Factor		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Backed by Fourth Cent TDT Revenue Pledge														
Steenbrenner Field	Series 2006 Tax-Exempt 4th Cent TDT													
	Principal													
	Interest	210.3												
	Series 2006 Tax-Exempt 4th Cent TDT	210.3												
	Series 2017A Tax-Exempt 4th Cent TDT													
	Principal	575.0	595.0	620.0	650.0	685.0	720.0	740.0	765.0	800.0	825.0	570.0	585.0	615.0
	Interest	324.9	491.1	461.3	430.3	397.8	363.6	342.0	319.8	281.5	241.5	200.3	183.2	153.9
	Series 2017A Tax-Exempt 4th Cent TDT	899.9	1,086.1	1,081.3	1,080.3	1,082.8	1,083.6	1,082.0	1,084.8	1,081.5	1,066.5	770.3	768.2	768.9
	Series 2017B Taxable 4th Cent TDT													
	Principal	425.0	375.0	380.0	395.0	390.0	405.0	415.0	435.0	445.0	475.0	815.0	845.0	880.0
	Interest	535.5	852.5	848.2	841.6	833.1	823.3	812.0	799.3	785.2	769.8	752.7	722.6	690.5
	Series 2017B Taxable 4th Cent TDT	960.5	1,227.5	1,228.2	1,236.6	1,223.1	1,228.3	1,227.0	1,234.3	1,230.2	1,244.8	1,567.7	1,567.6	1,570.5
	Total 4th Cent TDT Debt Service (Priority 1)	2,070.7	2,313.6	2,309.6	2,316.9	2,305.9	2,311.9	2,309.0	2,319.1	2,311.7	2,311.4	2,338.0	2,335.8	2,339.4
	Debt Service Coverage of 4th Cent TDT Bonds	2.9x	2.6x	2.6x	2.6x	2.6x	2.6x	2.6x	2.6x	2.6x	2.6x	2.6x	2.6x	2.6x
	4th Cent TDT used for Series 2016 CIP bonds (Priority 2)	1,425.7	1,428.6	1,426.0	1,424.5	1,426.1	1,425.6	1,424.0	1,424.5					
	Available 4th Cent Revenues after Existing Debt Service	2,503.6	5,376.1	2,264.5	2,258.6	2,268.0	2,262.5	2,267.0	2,256.4	3,688.3	6,040.5	8,967.1	12,596.2	16,027.8
	Original Yankees License Revenues used for CIP bonds	109.7	109.7	109.7	109.7	120.8	120.8	120.8	120.8					
	Original Surcharge used for CIP bonds	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0					
	Net New Yankees License Fee	400.0	350.0	350.0	361.1	350.0	350.0	350.0	460.0	685.8	685.8	685.8	685.8	685.8
	Total Yankees Surcharge and License Fees	614.7	564.7	564.7	575.8	575.8	575.8	575.8	685.8	685.8	685.8	685.8	685.8	685.8
	Available 4th Cent TDT Net of Yankee Payments	3,118.3	5,940.8	2,829.2	2,834.4	2,843.8	2,838.2	2,842.8	2,942.2	4,374.1	6,726.3	9,652.9	13,282.0	16,713.6
Net Debt Service Requirements				3,170.8	3,165.6	3,156.2	3,161.8	3,157.2	3,057.8	1,625.9	1,625.6	1,652.2	1,650.0	1,653.6
				Two Year =		6,336.4	Five Year =		15,811.6	10 Year =		25,423.2		
Stadium Funding Obligations														
Stadium Funding	TSA Cash on Hand	19,369.4												
	Schedule "A" Payments (balance for FY2015)	750.0	750.0	750.0	750.0	750.0	750.0	500.0						
	Schedule "B" Payments (balance for FY2015)	5,079.7	1,519.5	179.2	0.0	0.0	0.0	0.0						
	Total TSA Stadium Revenues	5,829.7	2,269.5	929.2	750.0	750.0	750.0	500.0						
	TSA Available Balance	25,199.0	11,709.1	929.2	750.0	750.0	750.0	500.0						
	TSA Capital Projects	2,056.5	5,621.0	1,871.6	1,679.6	1,286.0	1,856.1	1,434.0	1,038.0	1,451.6	1,399.4	700.0	904.2	
	Bucs Requested Capital Projects	13,703.1	14,334.0											
	Requested Subsidy for Capital		8,246.0	942.5										
	Total Stadium Capital Projects	15,759.5	28,201.0	2,814.1	1,679.6	1,286.0	1,856.1	1,434.0	1,038.0	1,451.6	1,399.4	700.0	904.2	
	CP Draws to Fund Stadium (CP Drawn as needed)	0.0	16,491.9	1,884.9	929.6	536.0	1,106.1	934.0	1,038.0	1,451.6	1,399.4	700.0	904.2	
	TSA Ending Cash Balance	9,439.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Commercial Paper Funding														
CP Program	CP Draw to Fund Stadium	0.0	16,491.9	1,884.9	929.6	536.0	1,106.1	934.0	1,038.0	1,451.6	1,399.4	700.0	904.2	0.0
	Repayment of CP (Priority 3)	0.0	(5,940.8)	(2,829.2)	(2,834.4)	(2,843.8)	(2,838.2)	(2,842.8)	(2,942.2)	(2,022.2)	(1,421.2)	(721.0)	(914.7)	(13.6)
	Interest/Carrying Costs (assumed at 1.5% before repayment)	0.0	247.4	147.8	121.5	88.7	64.0	36.3	15.6	21.8	21.0	10.5	13.6	0.0
	CP Balance ⁽¹⁾	0.0	10,798.5	10,002.1	8,218.8	5,999.7	4,331.6	2,459.2	570.6	21.8	21.0	10.5	13.6	0.0
Balance Net Excess Fourth Cent Revenues (Carried over)		3,118.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,351.9	5,305.2	8,931.9	12,367.3	16,700.1

Downtown Tampa Gateway Redevelopment Project

Redevelopment Opportunity

Market Sounding Package

July 2019

Work Product Example #4



Hillsborough County
May 2022 Calculation
Non-Ad Anti-Dilution Test

	<u>Line No.</u>	<u>Action</u>	<u>2020</u>	<u>Source</u>	<u>2021</u>	<u>Source</u>	<u>2 Year Average</u>
Non-Ad Valorem Revenues	1		393,723	See "Non-Ad Valorem Rev	429,900	See "Non-Ad Valorem Revenues" Worksheet	411,811
Ad Valorem Revenues	2		833,934	2020 CAFR, page 42	907,257	2021 ACFR, page 42	870,596
Less							
General Government Services Expenditures							
General Government Expenditures							
General Fund	3		228,373	2020 CAFR, page 42	237,154	2021 ACFR, page 42	
Debt Service Fund	4		3	2020 CAFR, 146	2,140	2021 ACFR, 150	
Special Revenues Fund	5		30,866	2020 CAFR, 146	39,884	2021 ACFR, 150	
Capital Projects Fund	6		4,270	2020 CAFR, 146	3,750	2021 ACFR, 150	
Sub-total	7	3+4+5+6	263,512		282,928		273,220
Public Safety Expenditures							
General Fund	8		579,952	2020 CAFR, page 42	615,960	2021 ACFR, page 42	
Debt Service Fund	9		0	2020 CAFR, 146	0	2021 ACFR, 150	
Special Revenues Fund	10		41,238	2020 CAFR, 146	44,731	2021 ACFR, 150	
Capital Projects Fund	11		318	2020 CAFR, 146	208	2021 ACFR, 150	
Sub-total	12	8+9+10+11	621,508		660,899		641,204
Total General Government and Public Safety Expenditures	13	7+13	885,020		943,827		914,424
General Government and Public Safety Expenditures in Excess of Ad Valorem Revenues	14	2-13	(51,086)		(36,570)		(43,828)
Non-Ad Valorem Revenues in excess of Ad Valorem Revenues less General Government and Public Safety:							
Available Non-Ad Valorem Revenues	15	1+14	342,637		393,330		367,983
Maximum Annual Non-Ad Valorem Debt Service							76,097
Coverage for Anti-Dilution Test						PASS	4.84x
Required Coverage							1.50x

Section 5.01 Anti-Dilution Test.

The Issuer covenants and agrees that it will not issue any other debt obligations secured by Available Non-Ad Valorem Revenues, or a covenant to budget and appropriate Available Non-Ad Valorem Revenues, unless the ratio of (i) the average annual Non-Ad Valorem Revenues for the two immediately preceding Fiscal Years of the Issuer for which audited financial statements are available, plus reasonably projected receipts of any new source of Non-Ad Valorem Revenues that have been levied to the extent not fully reflected in such audited financial statements, less the amount by which General Governmental Services Expenditures exceed Ad Valorem Revenues of the Issuer, to (ii) Maximum Annual Non-Ad Valorem Debt Service, is not less than 1.5:1.

Ad Valorem Revenues - means the average for the two most recent Fiscal Years for which audited financial statements of the Issuer are available of total receipts derived from ad valorem taxation, countywide and within any municipal service taxing unit with the Issuer.

General Government Services Expenditures - means the average for the two most recent Fiscal Years for which audited financial statements of the Issuer are available of the total of general government and public safety expenditures in the Issuer's general fund, debt service fund, special revenues fund and capital projects fund.

Maximum Annual Non-Ad Valorem Debt Service - means the maximum annual debt service on a consolidated basis of all Non-Ad Valorem Revenue Obligations then outstanding for the then current or any subsequent Fiscal Year. See Form of Bond Resolution for assumptions used for purposes of this definition with respect to variable rate, commercial paper and other debt.

Non-Ad Valorem Revenue Obligations - means obligations evidencing indebtedness for borrowed money (i) payable from or secured by a pledge of or lien on one or more sources of Available Non-Ad Valorem Revenues or a covenant to budget and appropriate Available Non-Ad Valorem Revenues, or (ii) payable directly or indirectly from a covenant to budget and appropriate Non-Ad Valorem Revenues, but only if the Issuer reasonably expects to apply Available Non-Ad Valorem Revenues to the payment of debt service, directly or indirectly, on such obligations and only to the extent that amounts other than Available Non-Ad Valorem Revenues available and pledged to pay such obligations during the prior Fiscal Year for which audited financial statements are available were less than the maximum annual debt service for such obligations for the then current or any subsequent Fiscal Year.

Per Resolution, For purposes of determining maximum annual debt service on commercial paper notes constituting Non-Ad Valorem Revenue Obligations, an assumed debt service schedule shall be calculated based upon level debt service amortizing the then outstanding aggregate principal amount of the commercial paper notes over a 30-year period commencing on the date of calculation at an average interest rate equal to the 30-year revenue bond index most recently published prior to the date of calculation in the Bond Buyer or any alternative reasonably equivalent index selected by the Issuer.

Non-Ad Valorem Revenues - means all legally available revenues of the Issuer other than Ad Valorem Revenues.

HILLSBOROUGH COUNTY

2022 ELAPP ANALYSIS

Summary

Prepared: 6/21/2022 (*actual results will vary based on future market conditions*)

	No Millage Increase	Remaining Capacity	No Millage Increase	Remaining Capacity
	Scenario 1	Scenario 2	Scenario 3	Scenario 4
FY23 Assumed Assessed Valuation Increase	None	None	12%	12%
Net Bond Proceeds for Projects (in \$MM)	\$ 31.85	\$ 70.72	\$ 45.85	\$ 70.72
Aggregate Max. Annual Debt Service (in \$MM)	\$ 7.05	\$ 9.38	\$ 7.90	\$ 9.38
Estimated Required Millage	0.0604	0.0804	0.0604	0.0718
Current Millage	<u>0.0604</u>	<u>0.0604</u>	<u>0.0604</u>	<u>0.0604</u>
Estimated Required Increase	<u>0.0000</u>	<u>0.0200</u>	<u>0.0000</u>	<u>0.0114</u>

Note: Calculations based on market conditions as of June 17, 2022 plus 50 bps;



PUBLIC RESOURCES ADVISORY GROUP

MEMORANDUM TO: Julie Wisdom, Debt and Financial Analysis Manager,
Hillsborough County

FROM: Public Resources Advisory Group

SUBJECT: Unsolicited Proposal Concerning the Sheriff's Operations Center

DATE: July 19, 2022

Hillsborough County, Florida received an unsolicited proposal dated March 1, 2022 from Framework Group/Barclays Group/Ryan Companies JV (the "Developer") concerning the Sheriff's Operations Center located at 2008 E. 8th Avenue in Ybor City. You have asked Public Resources Advisory Group ("PRAG"), as the County's municipal advisor, to review the proposal in regard to its financial terms and the potential impact on the County. We understand that our analysis may also be used to determine whether the unsolicited proposal meets the definition of a "Proposal" under Section 255.065, F.S. which states: "Proposal" means a plan for a qualifying project with a detail beyond a conceptual level for which terms such as fixing costs, payment schedules, financing, deliverables, and project schedule are defined.

The proposal is to build a new operations center to replace the Sheriff's Ybor City facilities on 11.25 acres of existing undeveloped County-owned land between East Columbus Drive and Reeves Road north of the Falkenberg Road Jail, approximately 7 miles east of the existing Operations Center. In exchange, the County would transfer ownership of the 6.86 acres land in Ybor City to the Developer and would enter into a 30-year lease for the new facility based on the difference between the cost of the new facility and the value of the Ybor site. At the end of the 30-year lease term the County would own the new facility.

The existing Operations Center was constructed in 1978 and consists of two main buildings containing a total of 100,000 square feet of space. The existing operations center spans four blocks between E. Palm Avenue to the north, N. 19th Street to the west, E. 8th Avenue to the south and N. 21st Street to the east.

The proposal identifies the following challenges with the existing Operations Center.

- *Lack of space to process and study ballistics;*
- *Limited substance analyzation laboratories that interfere with the Sheriff's operations*
- *Proper sleeping and bath accommodations;*
- *Incorporating new technology to accommodate things like a state-of-the-art Eye on Crime center which is difficult in the existing building;*
- *The exercise gym is undersized and inadequate;*
- *Amenities that are commonplace in the workplace are missing in the existing building; this poses a challenge for recruiting and retention;*
- *The new law enforcement facilities that are being built in the Tampa Bay region highlight the inadequacy of the existing building listed above. Since the Sheriff's Office is competing for labor with these adjacent law enforcement agencies, having a state-of-the-art facility is critical to being competitive;*
- *The existing building hampers the ability to connect with the Public & Media.*



The proposal provides limited details to support these claims and PRAG makes no comment on their accuracy. Before significant time is invested in a more detailed analysis, the Sheriff's Office should confirm that (i) these challenges are in fact challenges to operations, and (ii) the challenges would be best addressed by integration within a new operations center in the proposed location.

The proposal assumes building a mixed-use neighborhood with 300 housing units including 25 affordable housing units (8.3% of the total) for renters earning less than 80% of Area Median Income ("AMI") and 20 units (6.7% of the total) for renters earning less than 100% of AMI on the existing Ybor City site. The project would also include 47,000 square feet of retail space, 38,500 square feet of office space and 885 parking spaces, all integrated with the Trolley line. The proposal also identified redevelopment benefits to Ybor City that relocation would bring including reconnecting 9th Avenue to the street grid and providing a "vibrant live-work environment."

In return, the private entity would build a new turn-key 120,000 square foot building for the Sheriff's Office operations center including 500+ parking spaces along with site work and allowances for furniture, fixtures and equipment. The proposal provided two conceptual alternatives, one with all surface parking and an alternative with a 424-space parking garage and 131 surface parking spaces. The County and the Sheriff's Office would be involved in preliminary design consultations.

The proposal provided a project cost of \$41,250,000 for the all-surface parking option with features including offices, 911 communications center, laboratories, records room, training space, fitness center and dormitory space. They would credit \$15,000,000 based on the value of the Ybor site, resulting in a net project cost of \$26,250,000. The proposed annual rent is based on a 4.5% rent constant, which would be \$1,181,250 or \$9.85/sq. ft. over a 30-year lease agreement. The proposal did not contain any information on how the rent constant was determined, and, whether the rent has any escalation features.

The proposal assumed Credit Tenant Lease Financing, in which financing is provided based on the credit strength of the County, not on the underlying real estate asset. As such, it would be expected that the County's rights under the lease would be restricted during the term. As the land is currently owned by the County, it is expected that some form of leasehold interest in the land would be needed both to construct the building and obtain financing. Because the proposal presents operating costs savings as an offset against rent payments, we assume that the lease would be a triple net lease in which the County is responsible for all operating expenses.

The proposal projects that the new facility will provide efficiency savings in these three areas that it claims would effectively offset the \$1.18 million in initial annual rent:

- Lower utilities through increased efficiency (\$70,000);
- Reduced capital expenditures for repairs and maintenance during the first five years (\$237,000);
- Increased productivity and lower employee turnover costs (\$400,000 or 2% of payroll), and,
- Taxes (\$474,751).

The savings from these items total \$1.815 million, or approximately the initial amount of the rent payment. Given the nature of the largest component of the savings are increased productivity and lower turnover, however, it is not clear that the savings will completely offset the indicated rental cost.

The taxes item is not explained but could be an attempt to reflect the new property taxes that would be generated by the redevelopment of the Ybor City site. Property taxes go to the taxing bodies and not directly to the Sheriff's Office. In addition, since the current Ybor City site is located in a City of Tampa tax increment district (Ybor City 1), any increase in property tax values would not be available to fund county-wide operations like the Sheriff's Office Operations Center.



While there is ample evidence that new buildings are more energy efficient, it is not clear that the County would realize the 30% efficiency savings claimed as the building will be 20% larger. The proposal estimates Utility savings at \$70,000 per year.

It is intuitive that a new building will have lower renewal and replacement capital needs in comparison to a building approaching 50 years of age and the proposal estimates savings of \$237,000 annually for the first five years. In using this item to offset rent costs, however, the proposal assumes that the savings occur throughout the 30-year term of the lease.

Finally, it is likely impossible to quantify the potential human resources-related savings from a new facility but \$400,000 a year would appear to be a large amount as a budget item savings.

This was the basic information contained within the proposal. The proposer expressed a willingness to explore design needs and alternatives and financing options. The County was offered the ability to self-finance with the addition of a 10% development fee.

The proposal specifically claims that it is an Unsolicited Proposal under Florida Statutes 255.065. If that is the case, the statute provides a formal path the County would have to follow in order to pursue the project. The statute, however, defines a proposal as “a plan for a qualifying project with detail beyond a conceptual level for which terms such as fixing costs, payment schedules, financing, deliverables, and project schedule are defined.” The information provided in the March 1, 2022 document may not be specific, detailed nor comprehensive enough to qualify as a “proposal” under the Statute.

Additional Information Required

Based on the information provided, it does not appear evident that the new rent costs would be covered by capital and operational expenditure savings, personnel savings and new tax revenue generated by the mixed-use development project. As such, the over-riding question is whether the Sheriff’s Office believes a new facility is needed, and if the up-to-\$1.2 million per year in base rent payments over the next 30-years (before any rental escalation) is the best use of taxpayer dollars to achieve the mission of the Sheriff’s Office.

If a new operations center is desired, we believe the County should provide in-house or external evaluation of the following:

- 1) **Facilities Needs Assessment** – is a 120,000 square foot facility adequate for the Sheriff’s Office current and future needs?
- 2) **Relocation Considerations** – are there any challenges or benefits from moving the Operations Center from Ybor City to the Falkenburg Road site?
- 3) **Constructions Costs** – is a total development cost of \$343.75 per square foot (including fixture allowances) reasonable for a facility like the proposed operations center?
- 4) **Land Value** – is \$15 million an appropriate value for the Ybor City site?
- 5) **Development Value** – what would be the expected assessed value of the redevelopment of the Ybor City site as proposed in order to determine the potential real estate taxes generated?

If the County decides to pursue the proposal, we would also request the following from the Developer:

- 1) Proposed development schedule for the new Operations Center and the redevelopment of the Ybor City site which would not begin until the new Operations Center is occupied;
- 2) Detailed breakout of total development costs;
- 3) Detailed breakout of furniture and fixtures allowance;



- 4) Confirmation that the lease is triple net and therefore the Sheriff's Office would responsible for all operating and maintenance costs;
- 5) Method of determining Rent Constant;
- 6) Rent escalation, if any;
- 7) Form of lease agreement or major terms of the lease;
- 8) Ownership of the building throughout the lease term, County right to approve changes in ownership;
- 9) Process to provide emergency repairs and replacement due to loss or damage (who funds and who repairs as the Sheriff's Office is a critical function and repairs can't wait for insurance claims); and,
- 10) Details on how the Developer will fund the construction, including equity required, as the County will not transfer the Ybor City site until the new facility is ready for occupancy.

Finally, it should be determined whether this proposal would create any conflicts with the proposed P3 Development of County property at 2109 11th Avenue and 2102 E 8th Avenue.

Financial Model

PRAG has developed a preliminary financial model to address the expected net costs of the proposal as well as a comparison to a traditional County procurement and financing process. In order to finalize the model, PRAG would need the information identified in the "Additional Information Required" section above.

Conclusion

- Given the limited detail provided within the proposal, it is not clear their offer qualifies as an Unsolicited Proposal under Florida Statutes 255.065;
- Given the lack of detailed cost and development information provided, it is not possible to determine if the proposed new Operations Center would meet the needs of the Sheriff's Office for the development costs provided;
- Based on our analysis of the savings assumptions highlighted in the proposal, it is not clear that the proposal would result in a no-cost transaction for the County; and
- It is not clear that the benefits outlined in the proposal are of sufficient value to offset the expected increase in costs to the Sheriff's Office, although the County could decide the new facility is worth increased costs.

Work Product Example #8

Hillsborough County, FL
Wastewater Impact Fee Assessment Special Assessment Revenue Bonds, Series 2021
Orders as of 04/07/2021 15:09 Eastern
Summary of Orders (\$000)

	Maturity >>	5/1/2022	5/1/2023	5/1/2024	5/1/2025	5/1/2026	5/1/2027	5/1/2028	5/1/2029	5/1/2030	5/1/2031	5/1/2032	5/1/2033	5/1/2034	5/1/2035	5/1/2036	5/1/2037	5/1/2038	5/1/2039	
Coupon >>		5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	4.000%	4.000%	4.000%	4.000%	4.000%	
Yield >>		0.190%	0.240%	0.390%	0.550%	0.680%	0.850%	1.000%	1.150%	1.300%	1.410%	1.490%	1.550%	1.600%	1.790%	1.850%	1.890%	1.930%	1.970%	
Spread >>		+10	+12	+15	+20	+22	+25	+28	+30	+32	+35	+38	+40	+40	+55	+57	+57	+57	+57	
Total		58,230	4,255	4,700	4,935	5,185	5,445	4,585	3,790	2,940	2,600	2,665	2,715	2,765	2,805	2,640	2,370	1,700	1,290	845
Principal (Maturity Value) >>		58,230	4,255	4,700	4,935	5,185	5,445	4,585	3,790	2,940	2,600	2,665	2,715	2,765	2,805	2,640	2,370	1,700	1,290	845
Type																				
Orders:	FL Individual Retail >>	310	50	0	0	0	0	0	0	0	0	0	10	0	50	0	0	0	100	100
	NA Individual Retail >>	115	15	0	0	50	15	0	0	0	0	0	0	0	35	0	0	0	0	0
	Institutional >>	119,430	8,230	9,400	9,870	5,185	10,890	9,170	11,370	7,380	2,600	4,165	2,715	2,765	5,610	7,920	8,110	6,800	3,870	3,380
	Stock >>	29,880	4,255	4,700	4,935	5,185	0	0	0	0	0	0	0	0	2,805	2,640	2,370	1,700	1,290	0
	>>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total >>		149,735	12,550	14,100	14,805	10,420	10,905	9,170	11,370	7,380	2,600	4,165	2,725	2,765	8,465	10,595	10,480	8,500	5,260	3,480
Balances:																				
	FL Individual Retail >>		4,205	4,700	4,935	5,185	5,445	4,585	3,790	2,940	2,600	2,665	2,705	2,765	2,755	2,640	2,370	1,700	1,190	745
	NA Individual Retail >>		4,190	4,700	4,935	5,135	5,430	4,585	3,790	2,940	2,600	2,665	2,705	2,765	2,755	2,605	2,370	1,700	1,190	745
	Institutional >>		(4,040)	(4,700)	(4,935)	(50)	(5,460)	(4,585)	(7,580)	(4,440)	0	(1,500)	(10)	0	(2,855)	(5,315)	(5,740)	(5,100)	(2,680)	(2,635)
	Stock >>		(8,295)	(9,400)	(9,870)	(5,235)	(5,460)	(4,585)	(7,580)	(4,440)	0	(1,500)	(10)	0	(5,660)	(7,955)	(8,110)	(6,800)	(3,970)	(2,635)
	>>		(8,295)	(9,400)	(9,870)	(5,235)	(5,460)	(4,585)	(7,580)	(4,440)	0	(1,500)	(10)	0	(5,660)	(7,955)	(8,110)	(6,800)	(3,970)	(2,635)
Subscription:																				
	FL Individual Retail >>	0.01x	0.01x	0.00x	0.00x	0.00x	0.00x	0.00x	0.00x	0.00x	0.00x	0.00x	0.00x	0.00x	0.02x	0.00x	0.00x	0.00x	0.08x	0.12x
	NA Individual Retail >>	0.01x	0.02x	0.00x	0.00x	0.01x	0.00x	0.00x	0.00x	0.00x	0.00x	0.00x	0.00x	0.00x	0.02x	0.01x	0.00x	0.00x	0.08x	0.12x
	Institutional >>	2.06x	1.95x	2.00x	2.00x	1.01x	2.00x	2.00x	3.00x	2.51x	1.00x	1.56x	1.00x	1.00x	2.02x	3.01x	3.42x	4.00x	3.08x	4.12x
	Stock >>	2.57x	2.95x	3.00x	3.00x	2.01x	2.00x	2.00x	3.00x	2.51x	1.00x	1.56x	1.00x	1.00x	3.02x	4.01x	4.42x	5.00x	4.08x	4.12x
	>>																			
Excluding top	1		1.95x	2.00x	2.00x	1.01x	1.00x	1.00x	2.00x	1.51x	0.00x	0.56x	0.00x	0.00x	2.02x	3.01x	3.42x	4.00x	3.08x	3.12x
Excluding top	2		1.48x	1.00x	1.00x	1.00x	0.00x	0.00x	1.00x	0.51x	0.00x	0.00x	0.00x	0.00x	1.02x	2.01x	2.42x	3.00x	2.08x	2.12x
Excluding top	3		1.02x	1.00x	1.00x	1.00x	0.00x	0.00x	0.00x	0.00x	0.00x	0.00x	0.00x	0.00x	1.00x	1.01x	1.42x	2.00x	1.08x	1.12x

		Orders by Inverse Size																				
Rank	Orders	Investor	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
1	20,265	Massachusetts Financial Services	4,255	4,700	4,935	5,185	5,445	4,585	3,790	2,940	2,600	2,665	2,715	2,765	2,805	2,640	2,370	1,700	1,290	845		
2	17,615	Eagle Asset Management, Inc.	2,000	4,700	4,935	50	5,445	4,585	3,790	2,940	0	1,500	10	0	2,805	2,640	2,370	1,700	1,290	845		
3	16,760	Eaton Vance TABS	3	1,975	0	0	0	10	0	1,500	0	0	0	0	0	50	2,640	2,370	1,700	1,290	845	
4	13,890	NORTHWESTERN MUTUAL LIFE IN	4	50	0	0	0	5	0	0	0	0	0	0	0	30	1,000	1,700	100	845		
5	10,375	NEUBERGER & BERMAN CO (NEW	5	10	0	0	0	0	0	0	0	0	0	0	0	5	0	0	0	100		
6	8,845	Performance Trust (Broker)	6	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
7	6,735	Franklin Templeton Advisors	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
8	6,205	Cumberland Advisors, Inc.	8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
9	5,445	Millennium Fixed Income Ltd Fund	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
10	3,835	Teachers Insurance & Annuity Ass	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
11	2,640	Brean Capital LLC	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
12	2,500	Clark Capital Management Group Inc	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
13	1,975	First Republic Bank	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
14	1,500	STATE STREET GLOBAL MARKETS LL	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
15	845	Multi-Bank Securities, Inc.	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
16	425	Individuals	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
17			17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
18			18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
19			19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
20			20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		

1	NORTHWESTERN	NORTHWESTERN	NORTHWESTERN	Massachusetts	Massachusetts	NEUBERGER	NEUBERGER	Eagle Asset	Eagle Asset	Franklin Templeton	Eagle Asset	Eagle Asset	Eagle Asset	Performance Trust	Cumberland Advisors	Cumberland Advisors	Cumberland Advisors	Cumberland Advisors	Cumberland Advisors
2	NEUBERGER	Massachusetts	Massachusetts	Individuals	Eaton Vance	Eaton Vance	Eagle Asset	Eaton Vance	STATE STREET	Individuals	Millennium	Millennium	Franklin Templeton	Performance Trust	Performance Trust	Performance Trust	Performance Trust	Performance Trust	Performance Trust
3	First Republic Bank	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals
4	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals
5	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals
6	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals

Investors	Rank	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1 Brean Capital LLC	11	2,640	0	0	0	0	0	0	0	0	0	0	0	0	0	2,640	0	0	0	0
2 Clark Capital Management Group Inc	12	2,500	0	0	0	0	0	0	0	1,500	0	0	0	0	0	0	1,000	0	0	0
3 Cumberland Advisors, Inc.	8	6,205	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,370	1,700	1,290	845
4 Eagle Asset Management, Inc.	2	17,615	0	0	0	0	0	0	3,790	2,940	2,600	0	2,715	2,765	2,805	0	0	0	0	0
5 Eaton Vance TABS	3	16,760	0	0	0	0	5,445	4,585	3,790	2,940	0	0	0	0	0	0	0	0	0	0
6 First Republic Bank	13	1,975	1,975	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Franklin Templeton Advisors	7	6,735	0	0	0	0	0	0	0	0	2,665	0	0	0	0	0	2,370	1,700	0	0
8 Individuals	16	425	65	0	0	50	15	0	0	0	0	10	0	50	35	0	0	100	100	0
9 Massachusetts Financial Services	1	20,265	0	4,700	4,935	5,185	5,445	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Millennium Fixed Income Ltd Fund	9	5,445	0	0	0	0	0	0	0	0	0	0	0	2,805	2,640	0	0	0	0	0
11 Multi-Bank Securities, Inc.	15	845	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	845
12 NEUBERGER & BERMAN CO (NEW	5	10,375	2,000	0	0	0	0	4,585	3,790	0	0	0	0	0	0	0	0	0	0	0
13 NORTHWESTERN MUTUAL LIFE IN	4	13,890	4,255	4,700	4,935	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Performance Trust (Broker)	6	8,845	0	0	0	0	0	0	0	0	0	0	0	0	2,640	2,370	1,700	1,290	845	
15 STATE STREET GLOBAL MARKET	14	1,500	0	0	0	0	0	0	0	0	1,500	0	0	0	0	0	0	0	0	0
16 Teachers Insurance & Annuity Ass	10	3,835	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,700	1,290	845	

Hillsborough County, FL
Wastewater Impact Fee Assessment Special Assessment Revenue Bonds,
Series 2021 (43 Units)

Work Product Example #9

Call Option Analysis

Delivery Date: 4/12/2021			Call Date: 5/1/2031								
Maturity	Call Date	Coupon	Interpolated MMD 3/9/2021	Spread	Stated Yield (to Call)	Bond Price	Bond YTM	Yield Kick	Approx. Option Value	Option Adjusted Yield	Savings vs. 5% Coupon
5/1/2032	5/1/2031	5.000%	1.130%	0.380%	1.510%	132.436%	1.758%	0.248%	0.365%	1.393%	
5/1/2032	5/1/2031	4.000%	1.130%	0.430%	1.560%	122.620%	1.741%	0.181%	0.058%	1.684%	-0.291%
5/1/2032	5/1/2031	3.000%	1.130%	0.630%	1.760%	111.378%	1.857%	0.097%	0.023%	1.833%	-0.440%
5/1/2033	5/1/2031	5.000%	1.180%	0.400%	1.580%	131.672%	2.025%	0.445%	0.239%	1.786%	
5/1/2033	5/1/2031	4.000%	1.180%	0.500%	1.680%	121.376%	1.996%	0.316%	0.150%	1.845%	-0.059%
5/1/2033	5/1/2031	3.000%	1.180%	0.700%	1.880%	110.214%	2.040%	0.160%	0.072%	1.967%	-0.181%
5/1/2034	5/1/2031	5.000%	1.230%	0.400%	1.630%	131.130%	2.237%	0.607%	0.343%	1.894%	
5/1/2034	5/1/2031	4.000%	1.230%	0.520%	1.750%	120.657%	2.174%	0.424%	0.220%	1.953%	-0.059%
5/1/2034	5/1/2031	3.000%	1.230%	0.720%	1.950%	109.542%	2.157%	0.207%	0.110%	2.047%	-0.153%
5/1/2035	5/1/2031	5.000%	1.270%	0.400%	1.670%	130.698%	2.411%	0.741%	0.347%	2.065%	
5/1/2035	5/1/2031	4.000%	1.270%	0.550%	1.820%	119.943%	2.328%	0.508%	0.211%	2.117%	-0.052%
5/1/2035	5/1/2031	3.000%	1.270%	0.750%	2.020%	108.874%	2.259%	0.239%	0.098%	2.162%	-0.097%
5/1/2036	5/1/2031	5.000%	1.310%	0.400%	1.710%	130.267%	2.564%	0.854%	0.403%	2.160%	
5/1/2036	5/1/2031	4.000%	1.310%	0.570%	1.880%	119.335%	2.456%	0.576%	0.248%	2.208%	-0.048%
5/1/2036	5/1/2031	3.000%	1.310%	0.770%	2.080%	108.306%	2.342%	0.262%	0.116%	2.226%	-0.066%
5/1/2037	5/1/2031	5.000%	1.350%	0.400%	1.750%	129.838%	2.697%	0.947%	0.456%	2.241%	
5/1/2037	5/1/2031	4.000%	1.350%	0.570%	1.920%	118.932%	2.555%	0.635%	0.283%	2.272%	-0.031%
5/1/2037	5/1/2031	3.000%	1.350%	0.770%	2.120%	107.928%	2.402%	0.282%	0.133%	2.268%	-0.027%
5/1/2038	5/1/2031	5.000%	1.390%	0.400%	1.790%	129.411%	2.816%	1.026%	0.497%	2.319%	
5/1/2038	5/1/2031	4.000%	1.390%	0.570%	1.960%	118.530%	2.643%	0.683%	0.308%	2.335%	-0.015%
5/1/2038	5/1/2031	3.000%	1.390%	0.770%	2.160%	107.553%	2.455%	0.295%	0.146%	2.309%	0.010%
5/1/2039	5/1/2031	5.000%	1.430%	0.400%	1.830%	128.986%	2.922%	1.092%	0.516%	2.406%	
5/1/2039	5/1/2031	4.000%	1.430%	0.570%	2.000%	118.130%	2.722%	0.722%	0.316%	2.406%	0.000%
5/1/2039	5/1/2031	3.000%	1.430%	0.770%	2.200%	107.179%	2.503%	0.303%	0.147%	2.356%	0.050%

Per Bond Fee Schedule and Hourly Rate Schedule Attachment A

Part A. Please attach the complete fee schedule. The schedule should include, but may not be limited to, all hourly fee rates, transactional fees, out-of-pocket expenses, and any associated surcharges or fees.

PRAG proposes keeping the same Per Bond Fee arrangement but rearranging the fee structure between refunding and new money transactions.

Currently, PRAG's fee for new money bond issues is \$0.75 per bond for amounts up to \$50 million and \$0.50 per bond thereafter. The fee for refunding bond issues is \$1.00 per bond for amounts up to \$50 million and \$0.75 per bond thereafter. Over the past contract cycle, however, it has become clear that new money bond issues take substantially more time as PRAG works to develop the capital plan and sometimes implements a new credit structure. We are proposing that the new money and refunding bond rates be switched while bank loan Per Bond Fees remain the same. We also propose that the minimum fees for bank loans increase slightly to \$17,500.

	Unit Price Fee New Money Bond Issue	Unit Price Fee Refunding Bond Issue	Unit Price Fee New Money Bank Loan	Unit Price Fee Refunding Bank Loan
First \$50 million (per \$1,000 of bonds)	\$1.00	\$0.75	\$0.75	\$0.75
Anything over \$50 million (per \$1,000 of bonds)	\$0.75	\$0.50	\$0.50	\$0.50
Minimum Fee (per transaction)	\$20,000	\$17,500	\$17,500	\$17,500

PRAG is recommending a reduction the fees charged in connection with the County's Commercial Paper program given PRAG's familiarity with both renewing the existing program and establishing a new program.

Due to our location within the Tampa Bay area, PRAG will waive all out-of-pocket expenses except for out of state travel related to a bond pricing or rating agency presentation. PRAG will not charge for travel, parking or meals within the State of Florida.

Per Bond Fee Schedule and Hourly Rate Schedule Attachment A

Part B. Using the fee schedule provided as the response to Part A, please list the total cost of the transaction for each respective line of the following table. The table will be used in the evaluation of Transaction Fee rates provided by the Proposers. The actual transactions will vary. Indicate the total cost of the transaction for each respective line (i.e. Line 1 is the Proposer's fee for a \$65,000,000 New Money bond issue, Line 4 is the Proposer's fee for a \$20,000,000 Refunding bond issue, etc.) Surcharges or similar fees, if any, and estimated reimbursable expenses should be included as part of the total cost of the related transaction.

	Bond Issues		Bank Loans		Comm. Paper (per \$1,000 of Notes)		Estimated Out of Pocket Expenses	Proposer's Total Charge for this Transaction
	New Money	Refunding	New Money	Refunding	Existing Program	New Program		
1	\$65,000,000 (a)						\$0	\$61,250
2		\$40,000,000 (a)					\$0	30,000
3	\$150,000,000 (b)						\$0	125,000
4		\$20,000,000 (b)					\$0	15,000
5	\$60,000,000 (c)						\$0	57,500
6		\$50,000,000 (c)					\$0	37,500
7	\$200,000,000 (d)						\$0	162,500
8		\$150,000,000 (d)					\$0	87,500
9			\$40,000,000				\$0	30,000
10				\$60,000,000			\$0	42,500
11					\$250,000,000		\$0	50,000
12						\$250,000,000	\$0	75,000
13								
						Total	\$0	\$773,750

- (a) Assume the bonds to be issued will be general obligation bonds
- (b) Assume the bonds to be issued will be enterprise debt
- (c) Assume the bonds to be issued will be special assessment bonds
- (d) Assume the bonds to be issued will be governmental revenue bonds

Per Bond Fee Schedule and Hourly Rate Schedule Attachment A

Part C. Using the fee schedule provided as Part A, please list the total cost of the hourly work shown below.

	County's Position Description	Proposer's Equivalent Title	Estimated Hours Over Term	Total Hourly Fees
1	Managing or Executive Director	Senior Managing Director	150	\$300
2	Senior or Executive Manager	Managing Director	150	\$250
3	Manager	Vice President/ Assistant Vice President	75	\$190
4	Analyst or Associate	Analyst/Associate	75	\$170
			Total	\$109,500

We are proposing an average 10% increase in our base hourly fee scale from 2017 due to general inflation and increasing regulatory compliance costs. Alternatively, we are willing to discuss smaller increases each year through the term of the contract. We believe these fees are reasonable, but we will not lose the County's business over fees.