

RESOLUTION NO. 2007-07

A RESOLUTION OF THE CITY OF POLK CITY, FLORIDA APPROVING THE NEGOTIATED AND PRIVATE SALE OF NOT EXCEEDING \$1,738,570 CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2007; AWARDING SAID SERIES 2007 BONDS TO THE PURCHASER THEREOF; APPROVING THE TERMS OF SAID SERIES 2007 BONDS; PROVIDING FOR THE DELIVERY OF SAID SERIES 2007 BONDS TO THE PURCHASER; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND SETTING FORTH THE EFFECTIVE DATE OF THIS RESOLUTION.

WHEREAS, the City of Polk City, Florida (the "Issuer"), by Ordinance No. 1087, enacted November 8, 2005 (the "Ordinance"), authorized the issuance of not exceeding \$1,738,570 City of Polk City, Florida Capital Improvement Revenue Bonds, to provide funds to finance the acquisition, construction and erection of a new City Hall/Public Works Facility (the "Project"); and

WHEREAS, the City of Polk City, Florida (the "Issuer"), by Resolution No. 2006-07, adopted August 8, 2006 (the "Resolution"), authorized the issuance of not exceeding \$1,738,570 City of Polk City, Florida Capital Improvement Revenue Bond Anticipation Notes, Series 2006, (the "Bond Anticipation Notes") to obtain immediately available funds to finance the commencement of the Project; and

WHEREAS, all capitalized undefined terms used herein shall have the meanings set forth in the Ordinance; and

WHEREAS, it is the determination of the City Council of the Issuer that the purposes of the Issuer will be best facilitated and accomplished by selling the Series 2007 Bonds (as hereinafter defined) through the means of a negotiated and private sale because the United

States of America, acting through the U.S. Department of Agriculture, Rural Development (the "Purchaser"), has offered to purchase said Series 2007 Bonds at an interest rate less than the rates that could be obtained from private investors; and

WHEREAS, the Issuer must also establish a maturity schedule for payment of such Series 2007 Bonds and redemption provisions for such Series 2007 Bonds; and

WHEREAS, the Issuer has been or will be provided all applicable disclosure information required by Section 218.385, Florida Statutes, a copy of which is attached hereto as Exhibit "A"; and

WHEREAS, the Issuer has heretofore issued the Bond Anticipation Notes and has used the proceeds thereof for the acquisition, construction and erection of the Project and it is the finding and determination of the City Council that it is necessary and appropriate to repay the Bond Anticipation Notes with the proceeds of the Series 2007 Bonds as soon as is practicable;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF POLK CITY, FLORIDA, THAT:

SECTION 1. The Bonds are hereby designated as \$1,738,570 City of Polk City, Florida Capital Improvement Revenue Bonds, Series 2007 (the "Series 2007 Bonds").

SECTION 2. The negotiated and private sale of the Series 2007 Bonds in the aggregate principal amount of not exceeding \$1,738,570 is hereby authorized and approved.

SECTION 3. The Series 2007 Bonds are hereby sold to the United States of America, acting through the U.S. Department of Agriculture, Rural Development. Said Series 2007 Bonds bear interest at a rate of four and one-eighth percent (4.1250%) per annum, payable September 1, 2008, and on each September 1st thereafter. The Series 2007 Bonds shall be dated

as of the date of their delivery and shall mature on the dates and in the amounts as provided in Exhibit "B" attached hereto. The Series 2007 Bonds shall be issued as one fully registered bond in the aggregate principal amount of not exceeding \$1,738,570. The Series 2007 Bonds shall be secured in the manner described in the Ordinance and the Resolution.

SECTION 4. The Series 2007 Bonds shall be delivered to the Purchaser on or about December 14, 2007, in the City of Polk City, Florida, or such other date and place as may be mutually agreed.

SECTION 5. The Mayor and the Clerk are authorized and directed to deliver the Series 2007 Bonds to the Purchaser upon receipt of payment thereof on the date as provided herein and to execute, sign and seal said Series 2007 Bonds as provided in the Ordinance and the Resolution.

SECTION 6. Simultaneously with the delivery of the Series 2007 Bonds to the Purchaser thereof, the Issuer shall provide for the deposit of sums into the accounts established in the Ordinance and the Resolution. Such funds shall be accounted for separately from all other funds of the Issuer and the moneys on deposit therein shall be withdrawn, used and applied by the Issuer solely for the purposes set forth herein and in the Ordinance and the Resolution. The Clerk is authorized to transfer moneys of the Issuer, which with other moneys on deposit, will be sufficient for the purposes set forth in this Section. The Clerk is hereby further authorized to irrevocably deposit in the Sinking Fund an amount sufficient to repay the money heretofore borrowed and used for the purposes for which the Series 2007 Bonds are being issued as soon as is practicable without further authorization from the City Council.

SECTION 7. The appropriate officials of the Issuer are authorized and directed to receive on behalf of the Issuer the proceeds of the sale of the Series 2007 Bonds and to deposit, apply and disburse the proceeds of said Series 2007 Bonds, in the manner and for the purposes provided in the Ordinance and the Resolution authorizing the issuance of the Series 2007 Bonds and in this Resolution. The Mayor, the Clerk, and the City Attorney and other appropriate officers of the Issuer are authorized to execute such delivery papers, receipts and documents as may be necessary in connection with the delivery of the Series 2007 Bonds and receipt for the proceeds and to take all actions and do all things necessary to deliver said Series 2007 Bonds to the Purchaser and to receive the proceeds of the sale of the Series 2007 Bonds.

SECTION 8. The Issuer hereby covenants and agrees with the holder of said Series 2007 Bonds to do all things necessary to maintain the tax-exempt status of interest of the Series 2007 Bonds under the Internal Revenue Code in effect from time to time, including but not limited to compliance with the provisions of the Internal Revenue Code of 1986, as amended.

SECTION 9. The Issuer designates the Series 2007 Bonds as "qualified tax exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Issuer and any subordinate entities of the Issuer and any issuer of "tax-exempt" debt that issues "on behalf of" the Issuer do not reasonably expect during calendar year 2007 to issue more than \$10,000,000 of "tax-exempt" obligations, exclusive of any private activity bonds, as defined in Section 141(a) of the Code.

SECTION 10. All resolutions and ordinances of the City of Polk City, Florida, which are in conflict or inconsistent with this Resolution are to the extent of such conflict or inconsistency hereby repealed.

SECTION 11. This Resolution shall take effect immediately upon passage.

PASSED AND ADOPTED by the City Council of the City of Polk City this 11th day of

December, 2007.

CITY COUNCIL OF THE
CITY OF POLK CITY, FLORIDA

(SEAL)

By: Donald L. Penton
Donald L. Penton
Mayor-Councilman

ATTEST:

By: Sylvia S. Sims
Sylvia S. Sims, City Clerk

APPROVED AS TO CONTENT AND FORM:

Jeffrey Sullivan
Jeffrey Sullivan, City Attorney



EXHIBIT "A"

DISCLOSURE STATEMENT

City Council
City of Polk City, Florida
P.O. Box 1139
Polk City, Florida 33868

(1) An itemized list of estimated expenses to be incurred by the United States of America, acting through the U.S. Department of Agriculture, Rural Development (the "Purchaser") in connection with the issuance of the not exceeding \$1,738,570 City of Polk City, Florida, Capital Improvement Revenue Bonds, Series 2007 (the "Bonds").

NONE

(2) The names, addresses, and estimated amounts of compensation of any person who enters into an understanding with either the City of Polk City, Florida (the "Issuer") or the Purchaser, or both, for any paid or promised compensation or valuable consideration, directly or indirectly, expressed or implied, to act solely as an intermediary between the Issuer and the Purchaser or who exercises or attempts to exercise any influence to affect any transaction in the purchase of the Bonds.

NONE

(3) The amount of underwriting spread expected to be realized.

NONE

(4) The amount of the management fee to be charged by the Purchaser.

NONE

(5) Any other fee, bonus, and other compensation estimated to be paid by the Purchaser in connection with the bond issue to any person not regularly employed or retained by the Purchaser.

NONE

(6) The name and address of the Purchaser

United States of America, acting through the
U.S. Department of Agriculture
Rural Development
USDA Service Center
2629 Waverly Barn Rd. Suite 129
Davenport, FL 33897

(7) The Issuer is proposing to issue the Bonds for the purpose of providing funds which, together with other available funds of the Issuer will be used to finance the acquisition, construction and erection of a new City Hall/Public Works Facility (the "Project") and to pay certain costs of issuance of the Bonds. The Bonds are expected to be repaid over a period of 29.7 years. At a fixed interest rate of 4.1250%, total interest paid over the life of the Bonds is expected to be \$1,323,196.

(8) The source of repayment or security for the Bonds is the Communications Services Tax and the Half Cent Sales Tax (the "Pledged Revenues"), all as defined in the Issuer's Ordinance No. 1087 enacted on November 8, 2005. Authorizing these Bonds will result in a maximum of \$102,089 of the Pledged Revenues not being available to the Issuer each year for other uses during the term of the Bonds (29.7 years).

DATED this 14th day of December, 2007.

Very truly yours,

UNITED STATES DEPARTMENT OF
AGRICULTURE, RURAL DEVELOPMENT

By: _____

Angela Prioleau
Area Specialist

EXHIBIT "B"

\$1,738,570
CITY OF POLK CITY, FLORIDA
CAPITAL IMPROVEMENT REVENUE BONDS
SERIES 2007

All payments are due on September 1.

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>YEAR</u>	<u>PRINCIPAL</u>	<u>YEAR</u>	<u>PRINCIPAL</u>
2008	\$ 30,373.00	2018	\$ 45,503.00	2028	\$68,169.00
2009	31,626.00	2019	47,380.00	2029	70,981.00
2010	32,930.00	2020	49,334.00	2030	73,909.00
2011	34,289.00	2021	51,369.00	2031	76,958.00
2012	35,703.00	2022	53,488.00	2032	80,132.00
2013	37,176.00	2023	55,694.00	2033	83,438.00
2014	38,709.00	2024	57,992.00	2034	86,879.00
2015	40,306.00	2025	60,384.00	2035	90,463.00
2016	41,969.00	2026	62,875.00	2036	94,195.00
2017	43,700.00	2027	65,468.00	2037	97,178.00