



Pinellas County

Staff Report

File #: 23-0387A, Version: 1

Subject:

Pinellas County Industrial Development Authority (d/b/a the Pinellas County Economic Development Authority) Resolution Regarding Modification of the Variable Rate Index on Certain Outstanding Obligations from Certain London Interbank Offered Rates to a substitute variable interest rate index.

Recommended Action:

The Pinellas County Industrial Development Authority (d/b/a the Pinellas County Economic Development Authority) (the Issuer) adopt a Resolution delegating authority to Authorized Officers named therein to execute and deliver amendments to outstanding bonds and related documents in order to replace the London Interbank Offered Rates (LIBOR) Variable Rate Index with a substitute variable interest rate index.

- Certain bonds issued by the Issuer bear interest at a variable rate and established on the basis of a formula utilizing LIBOR.
- The Intercontinental (ICE) Benchmark Administrator has announced that it will cease publishing certain LIBOR rates after June 30, 2023.
- At the request of applicable borrowers, this resolution will allow the Issuer to make certain amendments to the bonds and related agreements in order to substitute references to the LIBOR Variable Rate Index with a substitute variable interest rate index.

Strategic Plan:

Foster Continual Economic Growth and Vitality

4.1 Proactively attract and retain businesses with targeted jobs to the county and the region

Summary:

Certain bonds (the "Bonds") issued by the Issuer bear interest at a variable rate based on a formula utilizing the London Interbank Offered Rate or "LIBOR" (the "LIBOR Variable Rate Index"). At the request of certain borrowers and the banks who purchased those Bonds, the Issuer desires to: (1) make certain amendments to the Bonds and related agreements (the "Bond Documents") in order to substitute references to the LIBOR Variable Rate Index with a substitute variable interest rate index (the "Substitute Variable Rate Index") and to make other related adjustments and amendments as may be necessary and appropriate for the implementation and administration of replacing the LIBOR Variable Rate Index with the Substitute Variable Rate Index; and (2) authorize certain officers of the Issuer to execute and deliver the amendments to the Bonds and the Bond Documents.

Background Information:

From time to time, the Issuer has issued bonds and loaned the proceeds thereof to various borrowers (the "Borrowers") pursuant to related loan or financing agreements whereby the Borrower agrees to repay such bonds. Certain of those bonds bear interest at a variable rate and established on the basis of a formula utilizing LIBOR. The Intercontinental (ICE) Benchmark Administrator has announced that it will cease publishing certain LIBOR rates after June 30, 2023. As a result, the

Borrowers desire to replace the LIBOR Variable Rate Index utilizing LIBOR with a Substitute Variable Rate Index on or prior to June 30, 2023, or earlier. To date, the Borrowers Clearwater Marine Aquarium, Inc. and Family Resources, Inc., have each contacted the Issuer to request modifications to each of their Bonds issued by the Issuer in 2010. Other affected Borrowers may include YMCA of the Suncoast, Inc. and R'Club Child Care, Inc.

Fiscal Impact:

There is no fiscal impact to the County. The Borrowers are, and will continue to be, responsible for payment of all fees and expenses.

Staff Member Responsible:

Dr. Cynthia Johnson, Executive Director, Economic Development Authority

Partners:

N/A

Attachments:

Resolution