



## CITY MANAGER'S OFFICE MEMORANDUM

**TO:** Jim Scholl, City Manager

**FROM:** Mark Z. Finigan, Finance Director

**DATE:** February 9, 2016

**SUBJECT:** City of Key West Request for Proposals (RFP) #16-004  
Peary Court Financing

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### **ACTION STATEMENT:**

Respectfully request the Key West City Commission reject the proposal submitted by Centennial Bank in response to City of Key West Request for Proposals (RFP) #16-004, Peary Court Financing. The Centennial Bank proposal is conditioned on the City of Key West including a "bond secured as general obligation of the City of Key West" in any resulting financing agreement. The referendum and ordinance language limits the security of the project to a Mortgage Lien with Right of Foreclosure and a Lien on all or a portion of the revenues of the project.

### **BACKGROUND:**

Prior to submission of proposals, the City Manager approved the creation of an Evaluation Committee comprised of the following three (3) members:

- Finance Director Mark Z. Finigan
- Executive Director, Key West Housing Authority Manuel Castillo
- The PFM Group, Financial Advisor Sergio Masvidal

On January 4, 2012 RFP #16-004 Peary Court Financing, was formally advertised in the Key West Citizen. Additionally, the solicitation was uploaded to the City's website, entered into DemandStar (a procurement process that connects online businesses and government agencies to government opportunities) and directly sent by the City's financial advisor to 49 potential banks, which included three (3) banks which have a local presence. Due date / time for receipt of proposals was established for January 27, 2016, at 3:30 p.m.

On January 27, 2016 one (1) proposal was submitted and subsequently opened in the City Clerk's office at 3:30 PM EST. The single proposal submitted was:

Centennial Bank

A copy of the solicitation, addendum to the solicitation, a list of the 49 banks directly solicited and the proposal submitted by Centennial Bank are all available on Legistar.

### **EVALUATION COMMITTEE**

On February 5, 2016, the Evaluation Committee convened in a properly noticed public session to review the proposal submitted by Centennial Bank. The following Evaluation Committee members were present:

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|--|-----------------|
| • Finance Director                               | Mark Z. Finigan |
| • Executive Director, Key West Housing Authority | Manuel Castillo |
| • The PFM Group, Financial Advisor (By Phone)    | Sergio Masvidal |

Centennial Bank representatives were not in attendance.

After a recap of the solicitation timeline by Mark Finigan a discussion pursued with respect to the conditions placed on the proposal by Centennial Bank. All committee members agreed that a final attempt be made to determine if Centennial Bank would consider any other form of security which did not require the City of Key West to pledge its taxing ability or any of its revenue streams.

Subsequent to the evaluation committee meeting an e-mail was sent to Centennial Bank. The reply was no, Centennial Bank would not remove the "bond secured as general obligation of the City of Key West" condition. A copy of the Centennial Bank response is made a part of the Legistar item.

### **RECOMMENDATION:**

Key West City Commission reject the proposal submitted by Centennial Bank in response to City of Key West Request for Proposals (RFP) #16-004, Peary Court Financing.

Direct Staff to release a solicitation similar to Request for Proposals (RFP) #16-004, Peary Court Financing, immediately upon a favorable referendum vote.