



**CITY OF BELLE ISLE, FLORIDA
CITY COUNCIL AGENDA ITEM COVER SHEET**

Meeting Date: January 7, 2020

To: Honorable Mayor and City Council Members

From: B. Francis, City Manager

Subject: Officer's Certificate

Background: This Officer's Certificate is necessary in accordance with the 2012 Bond Issue and to comply with the lease agreement between the City and COBI Charter School Inc. The Officer's Certificate relates to the transfers of certain properties on the site of the Belle Isle Charter School. The School's counsel stated to the Bond Counsel that the City negotiated each of the transfers and the School has not been involved in the matters, so the Certificate is meant to acknowledge those facts. However, I wrote to the Bond Counsel stating it should be noted, for the record, that when the surplus property was sold or demolished (Crawford House, Log Cabin, Blue House, and gazebo), the Mayor was the Chair of the Cornerstone Board and the City Manager was the Secretary Treasurer of the Cornerstone Board. They authorized the sale and demolition of the properties and because they did it under their City Titles of Mayor and Manager, they should be responsible for these actions.

Staff Recommendation: Approve the Officer's Certificate.

Suggested Motion: I move that we approve the Officer's Certificate.

Alternatives: None. Not approving this Certificate could put the City in breach of the lease agreement.

Fiscal Impact: none

Attachments: Officer's Certificate

\$9,625,000
CITY OF BELLE ISLE, FLORIDA
CHARTER SCHOOL LEASE REVENUE BONDS, SERIES 2012
(CORNERSTONE CHARTER ACADEMY AND CORNERSTONE CHARTER HIGH
SCHOOL PROJECT)

OFFICER'S CERTIFICATE

This Officer's Certificate is being delivered by the respective Authorized Representatives in connection with the City of Belle Isle, Florida's (the "City") prior issuance of its \$9,625,000 Charter School Lease Revenue Bonds, Series 2012 (Cornerstone Charter Academy and Cornerstone Charter High School Project) (the "Bonds") issued under and secured by that certain Trust Indenture dated as of October 1, 2012 (the "Indenture"), by and between the City and Regions Bank, as trustee (the "Trustee") and the Lease Agreement dated as of October 1, 2012 (the "Lease"), by and between the City and Belle Isle Charter Schools, Inc. (the "Tenant"). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture and Lease.

Background. The City of Belle Isle City Council (the "City Council") previously declared certain property owned by the City and comprising a portion of the Project as surplus property without commercial value pursuant to the Belle Isle Code of Ordinance No. 2-221 (collectively, the "Surplussed Property"). The Surplussed Property is more particularly listed and described as follows: (i) "Crawford House" with tax parcel number 24-23-29-3400-00-073 located at 5933 Randolph Avenue, Belle Isle, FL 32809; (ii) "Log Cabin" with tax parcel number 24-23-29-3400-00-073 located at 5903 Randolph Avenue, Belle Isle, FL 32809; and (iii) "Blue House" located at 1028 Waltham Avenue, Belle Isle, FL 32809. The Log Cabin was subsequently transferred to another entity. The Blue House was subsequently demolished. The Crawford House was sold and transferred for its historic and cultural value to Pine Castle Pioneer Days, Inc. ("Pine Castle"), a Florida nonprofit corporation organized and exiting under the laws of the State of Florida, pursuant to an Agreement for Sale of Surplus Property dated September 25, 2013, for a sum of \$2,067.00.

The Tenant has used a building comprising a portion of the Project known as the "Beacon House" located at 5903 Randolph Avenue, Belle Isle, Florida 32809, as a school store and for various offices. However, due to the age and disrepair of the Beacon House, the Tenant and the City have no use for the building and the Tenant has requested the City remove the Beacon House from the property comprising the Project to provide additional space for school activities and operations. The Tenant has since utilized other space for the school store and various offices. Due to the age and historical significance of Beacon House, Pine Castle has previously approached the City and the Tenant requesting to have Beacon House donated to Pine Castle. As a result, at a meeting of the City Council on July 2, 2019, the City Council simultaneously (i) determined that to maintain the historical value of the Beacon House it would need to remain on the property comprising a portion of the Project and (ii) approved the donation of the Beacon House to Pine Castle with the qualification that the Beacon House would remain at its current location.

Transfer of Assets.

Pursuant to Section 13.14 of the Lease, other than payments and Transfers contemplated by the Lease and/or the Indenture, the Tenant agreed that it would not Transfer Charter School Revenues, other than in the ordinary course of Tenant's business, or other assets related to the Project without the consent of 100% of the holders or Beneficial Owners of the Bonds Outstanding, except for Transfers of assets:

- (a) to any Person if prior to the sale, lease or other disposition there is delivered to the Trustee an Officer's Certificate stating that such assets have or will within the next 12 months become inadequate, obsolete, worn out, unsuitable, unprofitable, undesirable or unnecessary and the sale, lease, removal or other disposition thereof will not impair the structural soundness, efficiency, or economic value of the remaining assets of such Tenant or the operation of the Project; or
- (b) with respect to any Transfer of assets, to any Person in the ordinary course of the Tenant's business and on terms not less favorable to the Tenant than arm's length; or
- (c) to any Person if the aggregate net book value of the assets transferred pursuant to this clause in any five consecutive Charter School Fiscal Years, does not exceed 5% of the net book value of all assets of the Tenant as shown in the Annual Financial Statements for the most recent Charter School Fiscal Year.

Transfers of the Surplusessed Property. The City and the Tenant acknowledge that the City independently negotiated the transfers of the Surplusessed Property. The undersigned Authorized Representative on behalf of the Tenant acknowledges that pursuant to Section 13.14(c) of the Lease, the aggregate net book value of the Surplusessed Property in the five consecutive Charter School Fiscal Years immediately preceding the transfer of such Surplusessed Property, did not exceed 5% of the net book value of all assets of the Tenant as shown in the Annual Financial Statements for the Charter School Fiscal Year immediately preceding the transfers of such Surplusessed Property.

Transfer of the Beacon House. The City and the Tenant acknowledge that the City independently negotiated for the donation of the Beacon House. The undersigned Authorized Representative on behalf of the Tenant acknowledges that pursuant to Section 13.14(a) of the Lease the "Beacon House" has become inadequate, obsolete, worn out, unsuitable, unprofitable, undesirable or unnecessary and the sale, lease, removal or other disposition thereof will not impair the structural soundness, efficiency, or economic value of the remaining assets of such Tenant or the operation of the Project.

CITY:

CITY OF BELLE ISLE

By: _____
Authorized Representative

By: _____
Secretary

TENANT ACKNOWLEDGMENT :

**CITY OF BELLE ISLE CHARTER
SCHOOLS, INC., a not-for-profit
corporation**

By: _____
Authorized Representative

By: _____
Secretary