

RESOLUTION NO. 2014-\_\_\_\_

A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$38,000,000 CITY OF ST. PETERSBURG, FLORIDA PUBLIC UTILITY REVENUE BONDS, SERIES 2014A AND NOT TO EXCEED \$50,000,000 CITY OF ST. PETERSBURG, FLORIDA PUBLIC UTILITY REFUNDING REVENUE BONDS, SERIES 2014B, TO BE APPLIED TO ACQUIRE, CONSTRUCT AND ERECT ADDITIONS, IMPROVEMENTS AND EXTENSIONS TO ITS PUBLIC UTILITY SYSTEM, TO ADVANCE REFUND A PORTION OF THE CITY'S PUBLIC UTILITY REVENUE BONDS, SERIES 2005, AND FOR CERTAIN OTHER PURPOSES MORE FULLY DESCRIBED HEREIN; PROVIDING FOR THE PAYMENT OF SUCH PROPOSED BONDS FROM THE NET REVENUES OF ITS PUBLIC UTILITY SYSTEM ON PARITY WITH CERTAIN BONDS HERETOFORE ISSUED BY THE CITY; MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AUTHORIZING A COMPETITIVE BID AND APPROVING THE FORM OF THE OFFICIAL NOTICES OF SALE AND SUMMARY NOTICE OF SALE PERTAINING TO SUCH BONDS; MAKING CERTAIN PROVISIONS AND DELEGATING CERTAIN RESPONSIBILITIES WITH RESPECT TO THE NOTICE, BIDDING AND SALE OF THE BONDS; APPROVING THE FORM OF THE PRELIMINARY OFFICIAL STATEMENT, DISCLOSURE DISSEMINATION AGENT AGREEMENT, PAYING AGENT AND BOND REGISTRAR AGREEMENT AND ESCROW DEPOSIT AGREEMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT, DISCLOSURE DISSEMINATION AGENT AGREEMENT, PAYING AGENT AND BOND REGISTRAR AGREEMENT AND ESCROW DEPOSIT AGREEMENT; APPOINTING A PAYING AGENT, BOND REGISTRAR AND ESCROW AGENT; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ST. PETERSBURG, FLORIDA:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to Chapter 166, Part II, Florida Statutes, Chapter 159, Part I, Florida Statutes, the municipal charter of the City of St. Petersburg, Florida (the "Issuer") and other applicable provisions of law.

SECTION 2. DEFINITIONS. All capitalized undefined terms shall have the same meaning as set forth in the Bond Resolution, as hereinafter defined. In addition, the following terms, unless the context otherwise requires, shall have the meanings specified in this Section. Words importing the singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

"Bond Registrar" shall mean U.S. Bank National Association, Orlando, Florida in connection with the 2014 Bonds.

"Bond Resolution" shall mean Resolution No. 99-227 adopted by the City Council of the Issuer on April 22, 1999, as amended and supplemented from time to time, as particularly amended by Resolution No. 2005-559 adopted by the City Council of the Issuer on October 20, 2005, Resolution No. 2008-256 adopted by the City Council of the Issuer on May 15, 2008, and Resolution No. 2013-400 adopted by the City Council of the Issuer on October 3, 2013, and as particularly supplemented hereby.

"2014 Bonds" shall mean, collectively, the 2014A Bonds and the 2014B Bonds.

"2014A Bonds" shall mean the City of St. Petersburg, Florida Public Utility Revenue Bonds, Series 2014A, herein authorized to be issued.

"2014B Bonds" shall mean the City of St. Petersburg, Florida Public Utility Refunding Revenue Bonds, Series 2014B, herein authorized to be issued.

"Certificate of Mayor and Director of Finance" shall mean the certificate, the form of which is attached hereto as Exhibit B.

"City Attorney" shall mean the City Attorney or any Assistant City Attorney.

"City Clerk" shall mean the City Clerk or any Deputy City Clerk of the Issuer.

"Director of Finance" shall mean the Director of Finance of the Issuer, or her designee.

"Escrow Agent" shall mean the bank, trust company or financial institution appointed pursuant to Section 25 hereof.

"Escrow Deposit Agreement" shall mean the agreement to be entered into between the Issuer and the Escrow Agent if and when any of the Refunded Bonds are authorized to be refunded by the 2014B Bonds, the form of which is attached hereto as Exhibit F.

"Financial Advisor" shall mean Public Financial Management, Inc., or such other firm appointed by the Issuer.

"Interest Payment Dates" shall mean for the 2014 Bonds, April 1 and October 1 of each year, commencing April 1, 2015 or such other date as determined in the Official Notices of Sale described herein.

"Mayor" shall mean the Mayor of the Issuer, or his designee. The Mayor is authorized, but is not bound, to designate the City Administrator and/or the Director of Finance to execute certificates, agreements and all other documents in connection with the issuance of the 2014 Bonds.

"Original Purchaser" shall be the winning bidder on the sale of the 2014 Bonds pursuant to the conditions set forth in Section 20 hereof. Notwithstanding anything herein to the contrary, the Original Purchaser of the 2014A Bonds can be the same or different than the Original Purchaser of the 2014B Bonds.

"Parity Bonds" shall mean the Issuer's outstanding Public Utility Revenue Bonds, Series 2005 which are not refunded through the issuance of the 2014B Bonds, the Issuer's outstanding Public Utility Refunding Revenue Bonds, Series 2006, the Issuer's outstanding Public Utility Revenue Bonds, Series 2009A, the Issuer's outstanding Public Utility Refunding Revenue Bonds, Series 2009B, the Issuer's outstanding Taxable Public Utility Revenue Bonds, Series 2010A (Federally Taxable-Build America Bonds-Direct Subsidy), the Issuer's outstanding Taxable Public Utility Revenue Bonds, Series 2010B (Federally Taxable-Recovery Zone Economic Development Bonds-Direct Subsidy), the Issuer's outstanding Public Utility Revenue Bonds, Series 2013A, the Issuer's outstanding Public Utility Refunding Revenue Bonds, Series 2013B, the Issuer's outstanding Public Utility Revenue Bonds, Series 2013C, and any Additional Parity Obligations hereafter issued under the Bond Resolution.

"Parity System" shall mean the Parity electronic competitive bidding system.

"Paying Agent" shall mean U.S. Bank National Association.

"2014A Project" shall mean the acquisition, construction and erection of improvements to the System to be acquired, constructed and erected in accordance with plans on file at the offices of the Issuer, as such plans may be modified from time to time.

"Record Date" for the 2014 Bonds shall mean the 15<sup>th</sup> day of the month immediately preceding an Interest Payment Date for the 2014 Bonds.

"Refunded Bonds" shall mean all or a portion of the Issuer's outstanding Public Utility Revenue Bonds, Series 2005 maturing on and after October 1, 2016, authorized to be refunded hereunder.

SECTION 3. FINDINGS. It is hereby ascertained, determined and declared that:

A. The Issuer deems it necessary and in its best interest to acquire, construct and erect the 2014A Project and to advance refund the Refunded Bonds.

B. The principal of and interest on the 2014 Bonds and the Parity Bonds and all required Debt Service Fund and other payments shall be payable solely from the Net Revenues of the System as more particularly described in the Bond Resolution. The Issuer shall never be required to levy ad valorem taxes on any real property therein to pay the principal of and interest on the 2014 Bonds and the Parity Bonds or to make any other payments specified herein. The 2014 Bonds and the Parity Bonds shall not constitute a lien upon any property owned by or located within the boundaries of the Issuer.

C. The estimated Net Revenues of the System will be sufficient to pay all principal of and interest on the 2014 Bonds and the Parity Bonds, as the same become due, and to make all required Debt Service Fund, reserve or other payments required by the Bond Resolution.

D. In an effort to encourage a significant number of bidders for the 2014 Bonds to participate and in order to take advantage of technological developments in the electronic sale of bonds, the competitive sale of the 2014 Bonds shall be conducted via the Parity System or such other system of electronic bid submittal under the direction of the Financial Advisor.

E. Because the Issuer desires to sell the 2014 Bonds at the most advantageous time, the Issuer hereby delegates to the Mayor the authority to award the sale of the 2014 Bonds to the lowest bidders in accordance with the Official Notices of Sale based upon the parameters set forth herein.

F. It is hereby ascertained, determined and declared that it is in the best interest of the Issuer to provide for the sale by competitive bid of the 2014 Bonds, maturing and bearing interest, having such redemption features and such other terms as set forth herein and in the Summary Notice of Sale and Official Notices of Sale attached hereto as Exhibit A, and the bid proposal of the lowest bidder or bidders selected on a subsequent date pursuant to the terms hereof.

SECTION 4. AUTHORIZATION OF ACQUISITION, CONSTRUCTION AND ERECTION OF 2014A PROJECT AND ADVANCE REFUNDING OF THE REFUNDED BONDS. The acquisition, construction and erection of the 2014A Project pursuant to certain plans on file or to be on file at the offices of the Issuer and the advance refunding of the Refunded Bonds is hereby authorized. The cost of such 2014A Project, in addition to the items set forth in such plans and specifications, may include, but need not be limited to, the acquisition of any lands, rights of ways or interest therein or any other properties deemed necessary or convenient therefor; engineering, legal and financing expenses; expenses for estimates of costs; expenses for plans, specifications and surveys; the fees of fiscal agents, financial advisors or consultants; municipal bond insurance, if any; the creation and establishment of reasonable reserves for debt service; the discount on the sale of the 2014A Bonds, if applicable; reimbursement of moneys on the 2014A Project in anticipation of the sale of the 2014A Bonds, if any; and such other costs and expenses as may be necessary or incidental to the financing herein authorized and the construction, erection and acquisition of the 2014A Project and the placing of same in operation.

Notwithstanding the foregoing, the proceeds of the 2014A Bonds may not be used for the acquisition and construction of capital projects other than those described in the definition of 2014A Project, unless prior thereto the Issuer shall have received an opinion of nationally recognized bond counsel to the effect that such use will not adversely affect the validity of the 2014 Bonds or the exclusion of interest on the 2014 Bonds from the gross income of the holders thereof for purposes of federal income taxation.

SECTION 5. THIS RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the 2014 Bonds authorized to be issued hereunder by those who shall hold the same from time to time, the Bond Resolution, including this Resolution, shall be deemed to be and shall constitute a contract between the Issuer and such holders. The covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal holders of any and all of the 2014 Bonds and the Parity Bonds, all of which shall be of equal rank and without preference, priority or distinction of any of the 2014 Bonds or the Parity Bonds over any other thereof, except as expressly provided therein and herein.

SECTION 6. AUTHORIZATION OF 2014 BONDS. Subject and pursuant to the provisions hereof, obligations of the Issuer to be known as "Public Utility Revenue Bonds, Series 2014A," herein defined as the "2014A Bonds," are authorized to be issued in the aggregate amount of not exceeding \$38,000,000, and subject and pursuant to the provisions hereof, obligations of the Issuer to be known as "Public Utility Refunding Revenue Bonds, Series 2014B," herein defined as the "2014B Bonds," are authorized to be issued in the aggregate amount of not exceeding \$50,000,000. Notwithstanding anything herein to the contrary, the 2014A Bonds and/or the 2014B Bonds may be issued in one or more series on the same or different dates and in such event shall bear such other designation as may be set forth in the Certificate of Mayor and Director of Finance.

Notwithstanding anything herein to the contrary, the delegation of authority expressed herein expires on the first anniversary of the adoption hereof, and the series designation and account names relating to any of the 2014 Bonds can be changed to reflect the calendar year of issue as evidenced by the Certificate of Mayor and Director of Finance.

SECTION 7. DESCRIPTION OF 2014 BONDS. The 2014 Bonds shall be issued as Current Interest Bonds; shall be numbered from RA-1 and RB-1, as the case may be, upward or in such other manner agreed between the Issuer and the Bond Registrar; shall be in the denomination of \$5,000 each or integral multiples thereof; shall bear interest at a fixed rate of interest not exceeding the maximum rate fixed by applicable law, such interest to be payable on the Interest Payment Dates or any such other date or dates as may be set forth in the Certificate of Mayor and Director of Finance.

The 2014A Bonds shall be dated the date of their delivery or such other date as may be set forth in the Certificate of Mayor and Director of Finance pursuant to the authority delegated pursuant to Section 20 hereof; shall consist of such amounts of Serial Bonds and/or Term Bonds;

maturing in such amounts or Amortization Installments and in such years with a final maturity of not later than October 1, 2044, shall be payable at the designated corporate trust office of the Paying Agent; all as shall be provided herein, in the Official Notices of Sale and/or in the Certificate of Mayor and Director of Finance pursuant to the authority delegated pursuant to Section 20 hereof.

The 2014B Bonds shall be dated the date of their delivery or such other date as may be set forth in the Certificate of Mayor and Director of Finance pursuant to the authority delegated pursuant to Section 20 hereof; shall consist of such amounts of Serial Bonds and/or Term Bonds; maturing in such amounts or Amortization Installments and in such years with a final maturity of not later than October 1, 2035, shall be payable at the designated corporate trust office of the Paying Agent; all as shall be provided herein, in the Official Notices of Sale and/or in the Certificate of Mayor and Director of Finance pursuant to the authority delegated pursuant to Section 20 hereof.

The 2014 Bonds shall be issued in fully registered form without coupons; shall be payable in lawful money of the United States of America; and shall bear interest from their date, payable by mail to the Registered Owners at their addresses as they appear on the registration books of the Issuer maintained by the Bond Registrar; provided, however, that in the case of a Registered Owner of \$1,000,000 or more in aggregate principal amount of Bonds, upon written request of such Registered Owner to the Bond Registrar ten (10) days prior to the Record Date for such Interest Payment Date, such interest shall be paid on the Interest Payment Date in immediately available funds by wire transfer, at the expense of such Registered Owner.

SECTION 8. EXECUTION AND AUTHENTICATION OF 2014 BONDS. The 2014 Bonds shall be executed in the name of the Issuer by its Mayor and attested by its City Clerk, and the corporate seal of the Issuer or a facsimile thereof shall be affixed thereto or reproduced thereon. The facsimile signatures of the Mayor and the City Clerk may be imprinted or reproduced on the 2014 Bonds. The City Attorney of the Issuer shall indicate his approval of the form and correctness of the 2014 Bonds by affixing his manual or facsimile signature thereon. The certificate of authentication of the Bond Registrar shall appear on the 2014 Bonds, and no 2014 Bonds shall be valid or obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution unless such certificate shall have been duly executed on such 2014 Bonds. The authorized signature for the Bond Registrar shall be either manual or in facsimile; provided, however, that at least one of the signatures, which can be the authorized signature for the Bond Registrar, appearing on the Bonds, shall at all times be a manual signature. In case any one or more of the officers of the Issuer who shall have signed or sealed any of the 2014 Bonds shall cease to be such officer or officers of the Issuer before the 2014 Bonds so signed and sealed shall have been actually sold and delivered, such 2014 Bonds may nevertheless be sold and delivered as if the persons who signed or sealed such 2014 Bonds had not ceased to hold such offices. Any 2014 Bonds may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such 2014 Bonds shall hold the

proper office, although at the date of such execution of the 2014 Bonds such person may not have held such office or may not have been so authorized.

SECTION 9. NEGOTIABILITY. The 2014 Bonds issued hereunder shall be and shall have all of the qualities and incidents of negotiable instruments under the laws of the State of Florida, and each successive holder, in accepting any of the 2014 Bonds, shall be conclusively deemed to have agreed that such 2014 Bonds shall be and shall have all of the qualities and incidents of negotiable instruments under the laws of the State of Florida.

SECTION 10. REGISTRATION. All 2014 Bonds presented for transfer, exchange, redemption or payment (if so required by the Issuer or the Bond Registrar) shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Issuer or the Bond Registrar, duly executed by the Registered Owner or by his duly authorized attorney.

Upon surrender to the Bond Registrar for transfer or exchange of any 2014 Bond accompanied by an assignment or written authorization for exchange, whichever is applicable, duly executed by the Registered Owner or his attorney duly authorized in writing, the Bond Registrar shall deliver in the name of the Registered Owner or the transferee or transferees, as the case may be, a new fully registered 2014 Bond or Bonds of authorized denominations and of the same maturity and interest rate for the aggregate principal amount which the Registered Owner is entitled to receive.

The Issuer and the Bond Registrar may charge the Registered Owner a sum sufficient to reimburse them for any expenses incurred in making any exchange or transfer after the first such exchange or transfer following the delivery of the 2014 Bonds. The Bond Registrar or the Issuer may also require payment from the Registered Owner or his transferee, as the case may be, of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto. Such charges and expenses shall be paid before any such new 2014 Bond shall be delivered.

Interest on the 2014 Bonds shall be paid to the Registered Owners whose names appear on the books of the Bond Registrar on the Record Date.

New 2014 Bonds delivered upon any transfer or exchange shall be valid obligations of the Issuer, evidencing the same debt as the Bonds surrendered, shall be secured by the Bond Resolution, and shall be entitled to all of the security and benefits hereof to the same extent as the 2014 Bonds surrendered.

The Issuer and the Bond Registrar may treat the Registered Owner of any 2014 Bond as the absolute owner thereof for all purposes, whether or not such 2014 Bond shall be overdue, and shall not be bound by any notice to the contrary. The person in whose name any 2014 Bond is registered may be deemed the Registered Owner thereof by the Issuer and the Bond

Registrar, and any notice to the contrary shall not be binding upon the Issuer or the Bond Registrar.

Notwithstanding the foregoing provisions of this Section, the Issuer reserves the right, on or prior to the delivery of the 2014 Bonds, to amend or modify the foregoing provisions relating to registration of the 2014 Bonds in order to comply with all applicable laws, rules, and regulations of the United States and/or the State of Florida relating thereto.

SECTION 11. DISPOSITION OF 2014 BONDS PAID OR REPLACED. Whenever any 2014 Bond shall be delivered to the Bond Registrar for cancellation, upon payment of the principal amount thereof, or for replacement, transfer or exchange, such 2014 Bond shall be canceled and destroyed by the Bond Registrar, and counterparts of a certificate of destruction evidencing such destruction shall be furnished to the Issuer.

SECTION 12. BONDS MUTILATED, DESTROYED, STOLEN OR LOST. In case any 2014 Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new 2014 Bond of like tenor as the 2014 Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated 2014 Bond upon surrender and cancellation of such mutilated 2014 Bond, or in lieu of and substitution for the 2014 Bond destroyed, stolen or lost, and upon the Registered Owner furnishing the Issuer proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer may incur. All 2014 Bonds so surrendered shall be canceled by the Issuer. If any of the 2014 Bonds shall have matured or be about to mature, instead of issuing a substitute 2014 Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such 2014 Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate 2014 Bonds issued pursuant to this Section shall constitute original, additional contractual obligations on the part of the Issuer whether or not the lost, stolen or destroyed 2014 Bonds be at any time found by anyone, and such duplicate 2014 Bonds shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the funds, as hereinafter pledged, to the same extent as all other 2014 Bonds issued hereunder.

SECTION 13. BOOK ENTRY SYSTEM. The Issuer has previously executed a blanket letter of representation dated September 18, 1997 (the "Letter of Representation") with The Depository Trust Company ("DTC"). It is intended that the 2014 Bonds be registered so as to participate in a global book-entry system with DTC as set forth herein and in such Letter of Representation. The 2014 Bonds shall be initially issued in the form of a single fully registered 2014 Bond of each maturity for each Series. Upon initial issuance, the ownership of such 2014 Bonds shall be registered by the Bond Registrar and Paying Agent in the name of Cede & Co., as nominee for DTC. With respect to 2014 Bonds registered by the Bond Registrar and Paying Agent in the name of Cede & Co., as nominee of DTC, the Issuer and the Bond Registrar and Paying Agent shall have no responsibility or obligation to any broker-dealer, bank or other

financial institution for which DTC holds 2014 Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a "Depository Participant") or to any person on behalf of whom such a Depository Participant holds an interest in the 2014 Bonds (each such person being herein referred to as an "Indirect Participant"). Without limiting the immediately preceding sentence, the Issuer and the Bond Registrar and Paying Agent shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co., or any Depository Participant with respect to the ownership interest in the 2014 Bonds, (b) the delivery to any Depository Participant or any Indirect Participant or any other person, other than a registered owner of a 2014 Bond as shown in the Bond register, of any notice with respect to the 2014 Bonds, including any notice of redemption, if applicable, or (c) the payment to any Depository Participant or Indirect Participant or any other person, other than a registered owner of a 2014 Bond as shown in the 2014 Bond register, of any amount with respect to principal of, premium, if any, or interest on, if applicable, the 2014 Bonds. No person other than a registered owner of a 2014 Bond as shown in the 2014 Bond register shall receive a 2014 Bond certificate with respect to any 2014 Bond. Upon delivery by DTC to the Bond Registrar and Paying Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions hereof with respect to the payment of interest by the mailing of checks or drafts to the registered owners of 2014 Bonds appearing as registered owners in the registration books maintained by the Bond Registrar and Paying Agent at the close of business on a regular record date, the name "Cede & Co." in this resolution shall refer to such new nominee of DTC.

In the event that (a) the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the Letter of Representation, (b) the agreement among the Issuer, the Bond Registrar and Paying Agent and DTC evidenced by the Letter of Representation shall be terminated for any reason or (c) the Issuer determines that it is in the best interests of the beneficial owners of the 2014 Bonds that they be able to obtain certificated 2014 Bonds, the Issuer shall notify DTC of the availability through DTC of 2014 Bond certificates and the 2014 Bonds shall no longer be restricted to being registered in the 2014 Bond register in the name of Cede & Co., as nominee of DTC, but only in accordance with the Letter of Representation. At that time, the Issuer may determine that the 2014 Bonds shall be registered in the name of and deposited with a successor depository operating a universal book-entry system, as may be acceptable to the Issuer, or such depository's agent or designee, and if the Issuer does not select such alternate universal book-entry system, then the 2014 Bonds may be registered in whatever name or names registered owners of 2014 Bonds transferring or changing 2014 Bonds designate, in accordance with the provisions hereof. Notwithstanding any other provision of the Bond Resolution to the contrary, so long as any 2014 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on, if applicable, such 2014 Bond and all notices with respect to such 2014 Bond shall be made and given, respectively, in the manner provided in the Letter of Representation.

As long as any 2014 Bonds are outstanding in book-entry form, the provisions of the Bond Resolution inconsistent with such system of book-entry registration shall not be applicable to such 2014 Bonds, and the Issuer covenants to cause adequate records to be kept with respect to the ownership of any 2014 Bonds issued in book-entry form or the beneficial ownership of 2014 Bonds issued in the name of a nominee.

SECTION 14. PROVISIONS FOR REDEMPTION. The 2014 Bonds may be subject to redemption as set forth herein, in the Official Notices of Sale and/or in the Certificate of Mayor and Director of Finance.

At least 30 days prior to the expected redemption date, notice of such redemption shall be filed with the Paying Agent and shall be mailed, postage prepaid to all Registered Owners of 2014 Bonds to be redeemed at their addresses as they appear on the registration books. Interest shall cease to accrue on any 2014 Bonds duly called for prior redemption, after the redemption date, if payment thereof has been duly provided. The privilege of transfer or exchange of any of the 2014 Bonds selected for redemption is suspended for a 15 day period preceding the date of selection of the 2014 Bonds to be redeemed. Nothing in the Bond Resolution shall be deemed to require the Issuer to have deposited moneys with the Paying Agent prior to providing such notice of expected redemption.

Any notice of optional redemption given pursuant to this Section 14 may state that is conditional upon receipt by the Paying Agent of moneys sufficient to pay the redemption price, plus interest accrued to the redemption date, or upon the satisfaction of any other condition, and that it may be rescinded upon the occurrence of any such condition, and any conditional notice so given may be rescinded at any time before payment of such redemption price and accrued interest if any such condition so specified is not satisfied. Notice of such rescission shall be given by the Paying Agent to affected Registered Owners of 2014 Bonds as promptly as practicable upon the failure of such condition or the occurrence of such other event.

SECTION 15. FORM OF BONDS. The text of the 2014 Bonds and the certificate of authentication shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized and permitted by the Bond Resolution, this Resolution or by any subsequent resolution adopted prior to the issuance thereof:

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No. R[A/B]-\_\_\_\_\_

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UNITED STATES OF AMERICA  
STATE OF FLORIDA  
COUNTY OF PINELLAS  
CITY OF ST. PETERSBURG  
PUBLIC UTILITY [REFUNDING] REVENUE BOND, SERIES 2014\_\_

MATURITY DATE: INTEREST RATE: DATED DATE: CUSIP:

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

KNOW ALL MEN BY THESE PRESENTS that the City of St. Petersburg, Florida (hereinafter called "Issuer"), for value received, hereby promises to pay to the order of the Registered Owner identified above, or registered assigns, as herein provided, on the Maturity Date identified above, upon the presentation and surrender hereof at the principal corporate trust office of \_\_\_\_\_, in the City of \_\_\_\_\_, \_\_\_\_\_ (the "Paying Agent"), from the special funds hereinafter mentioned, the Principal Amount identified above in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts, and to pay, solely from said sources, to the Registered Owner hereof by check mailed to the Registered Owner at his address as it appears on the Bond registration books of the Issuer, at the Interest Rate per annum identified above, interest on said principal sum on each April 1 and October 1, commencing April 1, 2015, from the interest payment date next preceding the date of registration and authentication of this Bond, unless this Bond is registered and authenticated as of an interest payment date, in which case it shall bear interest from said interest payment date, or unless this Bond is registered and authenticated prior to the first interest payment date, in which event such Bond shall bear interest from the Dated Date; provided, however, that if at the time of authentication interest is in default, this Bond shall bear interest from the date to which interest shall have been paid.

This Bond is one of an authorized issue of bonds issued in an aggregate principal amount of \$\_\_\_\_\_ (the "Bonds"), issued primarily to [finance a portion of the costs of the acquisition, construction and erection of improvements to the System to be acquired, constructed and erected in accordance with plans on file at the offices of the Issuer, as such plans may be modified from time to time]/advance refund a portion of the Issuer's outstanding Public Utility Revenue Bonds, Series 2005], under the authority of and in full compliance with the Constitution of the State of Florida, including particularly Chapter 166, Part II, Florida Statutes, Chapter 159, Part I, Florida Statutes, the municipal Charter of the Issuer, and other applicable provisions of law, and by Resolution No. 99-237 duly adopted by the City Council of the Issuer on April 22, 1999, as amended and supplemented from time to time, as particularly amended by Resolution No. 2005-559 adopted by the City Council of the Issuer on October 20,

2005, Resolution No. 2008-256 adopted by the City Council of the Issuer on May 15, 2008, and Resolution No. 2013-400 adopted by the City Council of the Issuer on October 3, 2013, and as particularly supplemented by Resolution No. 2014-\_\_\_\_ duly adopted by the City Council of the Issuer on \_\_\_\_\_, 2014 (hereinafter collectively called "Resolution"), and is subject to all the terms and conditions of such Resolution. All capitalized undefined terms used herein shall have the meaning set forth in the Resolution.

This Bond is payable solely from and secured by a prior lien upon and pledge of the Net Revenues on parity with the Issuer's outstanding Public Utility Revenue Bonds, Series 2005 not refunded with proceeds of [the Bonds] [Public Utility Refunding Revenue Bonds, Series 2014B], the Issuer's outstanding Public Utility Refunding Revenue Bonds, Series 2006, the Issuer's outstanding Public Utility Revenue Bonds, Series 2009A, the Issuer's outstanding Public Utility Refunding Revenue Bonds, Series 2009B, the Issuer's outstanding Taxable Public Utility Revenue Bonds, Series 2010A (Federally Taxable-Build America Bonds-Direct Subsidy) the Issuer's outstanding Taxable Public Utility Revenue Bonds, Series 2010B (Federally Taxable-Recovery Zone Economic Development Bonds-Direct Subsidy), the Issuer's outstanding Public Utility Revenue Bonds, Series 2013A, the Issuer's outstanding Public Utility Refunding Revenue Bonds, Series 2013B, the Issuer's outstanding Public Utility Revenue Bonds, Series 2013C, and the Issuer's outstanding Public Utility [Refunding] Revenue Bonds, Series 2014\_\_ (collectively, the "Parity Bonds"), all in the manner and to the extent provided in the Resolution.

This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter provision or limitation, and it is expressly agreed by the Registered Owner of this Bond that such Registered Owner shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer for the payment of the principal of and interest on this Bond or the making of any sinking fund, reserve or other payments specified in the Resolution.

It is further agreed between the Issuer and the Registered Owner of this Bond that this Bond and the indebtedness evidenced thereby shall not constitute a lien upon the System, or any part thereof, or on any other property of or in the Issuer, but shall constitute a lien only on the Net Revenues derived from the operation of the System, all in the manner provided in the Resolution.

The Issuer in the Resolution has covenanted and agreed with the Registered Owners of the bonds of this issue to fix, establish, revise from time to time whenever necessary, maintain and collect such fees, rates, rentals and other charges for the use of the products, services and facilities of the System which will always provide Adjusted Net Revenues in each year of not less than 115% of all Bond Service Requirements becoming due in such year on the outstanding Parity Bonds; and that such rates, fees, rentals and other charges will not be reduced so as to be insufficient to provide Gross Revenues for such purposes. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds of this issue for the terms of which reference is made to the Resolution.

This Bond may be transferred only upon the registration books kept by the Bond Registrar upon surrender hereof at the principal office of the Bond Registrar with an assignment duly executed by the registered owner or his duly authorized attorney, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Resolution, and upon surrender and cancellation of this Bond. Upon any such transfer, there shall be executed and the Bond Registrar shall deliver, a new fully registered bond or bonds, payable to the transferee, in authorized denominations and in the same aggregate principal amount, series, maturity and interest rate as this Bond.

In like manner, subject to and upon the payment of such charges, if any, the registered owner of this Bond may surrender the same (together with a written authorization for exchange satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney) in exchange for an equal aggregate principal amount of fully registered bonds in authorized denominations and of the same series, maturity and interest rate as this Bond.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the Statutes and Constitution of the State of Florida applicable thereto; and that the issuance of this Bond and of the issue of Bonds of which this Bond is one, does not violate any constitutional or statutory limitation.

This Bond is and has all the qualities and incidents of a negotiable instrument under the laws of the State of Florida.

BY ACCEPTANCE HEREOF, THE REGISTERED OWNER IS CONCLUSIVELY DEEMED TO HAVE CONSENTED TO AND APPROVED THE PROVISIONS IN THE RESOLUTION, INCLUDING WITHOUT LIMITATION THE PROSPECTIVE AMENDMENTS INCLUDED IN SECTION 22 OF RESOLUTION NO. 2013-400 ADOPTED BY THE CITY COUNCIL OF THE ISSUER ON OCTOBER 3, 2013, AND THE REGISTERED OWNER SHALL HAVE NO RIGHT TO OBJECT TO SUCH AMENDMENTS. SUCH AMENDMENTS MAY BECOME EFFECTIVE, AMONG OTHER CONDITIONS, AFTER RECEIVING THE REQUISITE CONSENT OF THE HOLDERS OF AT LEAST 51% OUTSTANDING BONDS ISSUED PURSUANT TO THE RESOLUTION. REFERENCE IS MADE TO THE RESOLUTION AND THE OFFICIAL STATEMENT FOR THE BONDS FOR A DESCRIPTION OF SUCH PROSPECTIVE AMENDMENTS.

(Insert redemption provisions)

Notice of such redemption shall be given in the manner provided in the Resolution.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the certificate of authentication hereon shall have been duly executed by the Bond Registrar.

IN WITNESS WHEREOF, the City of St. Petersburg, Florida, has issued this Bond and has caused the same to be executed by its Mayor and attested by its City Clerk, either manually or with their facsimile signatures, and the corporate seal of the Issuer, or a facsimile thereof to be impressed, imprinted or otherwise reproduced hereon, all as of the Dated Date set forth above.

CITY OF ST. PETERSBURG, FLORIDA

(SEAL)

\_\_\_\_\_  
Richard D. Kriseman, Mayor

ATTESTED:

\_\_\_\_\_  
Chan Srinivasa, City Clerk

APPROVED AS TO FORM AND CORRECTNESS

\_\_\_\_\_  
Jacqueline M. Kovilaritch , Assistant City Attorney

CERTIFICATE OF AUTHENTICATION OF BOND REGISTRAR

This Bond is one of the bonds of the issue described in the Resolution.

U.S. BANK NATIONAL ASSOCIATION,  
as Bond Registrar

By:\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date of Authentication

The following abbreviations, when used in the inscription on the face of the within bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -	as tenants in common	UNIF GIF MIN ACT -	
TEN ENT -	as tenants by the entireties		(Cust.)
JT TEN -	as joint tenants with right of survivorship and not as tenants in common	Custodian for	(Minor)
		under Uniform Gifts to Minors Act of	(State)

Additional abbreviations may also be used though not in list above.

#### ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to

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PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE the within bond and does hereby irrevocably constitute and appoint \_\_\_\_\_ as his agent to transfer the bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature guaranteed:

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(Bank, Trust company or Firm)

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(Authorized Officer)

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NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

SECTION 16. APPLICATION OF 2014 BOND PROCEEDS.

A. The proceeds, including any accrued interest received from the sale of any or all of the 2014A Bonds, shall be applied by the Issuer as follows:

1. Accrued interest, if any, shall be deposited in the Interest Account in the Debt Service Fund, herein created, and shall be used only for the purpose of paying interest becoming due on the 2014A Bonds.

2. To the extent not reimbursed therefor by the Original Purchaser of the 2014A Bonds, the Issuer shall pay all costs and expenses in connection with the preparation, issuance and sale of the 2014A Bonds.

3. To the extent not provided by other funds of the Issuer deposited into, or a surety bond or bonds credited to, the Reserve Account, the Issuer shall deposit to the Reserve Account a sum which, together with any proceeds contributed from the 2014B Bonds, is equal to the Reserve Account Requirement upon issuance of the 2014A Bonds.

4. The remaining proceeds of the 2014A Bonds shall be deposited into the "City of St. Petersburg, Florida Public Utility Revenue Bonds, Series 2014A, Construction and Acquisition Fund," which is hereby created and established (the "2014A Construction and Acquisition Fund"), and which may be used for the purposes set forth in the Bond Resolution, including the cost of any capitalized interest on the Series 2014A Bonds. Such 2014A Construction and Acquisition Fund shall constitute a trust fund for the holders of Bonds and shall be used together with certain other legally available moneys by the Issuer solely to acquire, construct and erect the 2014A Project, including any allowable reimbursement to the Issuer of moneys spent on the 2014A Project in anticipation of the sale of the 2014A Bonds. The Issuer agrees and covenants to commence and proceed with due diligence to complete the construction, erection and acquisition of the 2014A Project. Money on deposit in the 2014A Construction and Acquisition Fund may be invested and reinvested in Investment Securities which mature not later than the date on which the money on deposit therein will be needed for purposes of such funds. All income on such investments shall remain in such Fund. Upon completion of the 2014A Project, remaining amounts on deposit in such Fund may be transferred into the Operating Fund.

B. The proceeds, including any accrued interest received from the sale of any or all of the 2014B Bonds, shall be applied by the Issuer as follows:

1. Accrued interest, if any, shall be deposited in the Interest Account in the Debt Service Fund, herein created, and shall be used only for the purpose of paying interest becoming due on the 2014B Bonds.

2. To the extent not reimbursed therefor by the Original Purchaser of the 2014B Bonds, the Issuer shall pay all costs and expenses in connection with the preparation, issuance and sale of the 2014B Bonds.

3. To the extent not provided by other funds of the Issuer deposited into, or a surety bond or bonds credited to, the Reserve Account, the Issuer shall deposit to the Reserve Account a sum which, together with any proceeds contributed from the 2014A Bonds, is equal to the Reserve Account Requirement upon issuance of the 2014B Bonds.

4. Subject to the execution and delivery of the 2014B Bonds to advance refund the Refunded Bonds, a sum which, together with other legally available funds of the Issuer and investment earnings thereon, is equal to the principal of and interest and redemption premiums, if any, on the Refunded Bonds when due in accordance with the schedules to be attached to the Escrow Deposit Agreement to pay principal and interest on the Refunded Bonds and to pay applicable call premiums and any costs with respect thereto.

SECTION 17. EXECUTION OF ESCROW DEPOSIT AGREEMENT; REDEMPTION OF REFUNDED BONDS. The Issuer hereby approves the Escrow Deposit Agreement as set forth in the form attached hereto as Exhibit F. The Escrow Deposit Agreement shall be executed in the name of the Issuer by the Mayor and attested by the City Clerk, the official seal of the Issuer to be imprinted thereon, and shall be approved as to form and correctness by the City Attorney, with such additional changes and insertions therein as are subsequently approved, and such execution and delivery shall be conclusive evidence of the approval thereof by such officers. The Issuer hereby also authorizes the Director of Finance to engage such professionals as in her discretion are competent to provide a verification report with respect to the Refunded Bonds.

Subject to the execution and delivery of the 2014B Bonds for the purpose of refunding the Refunded Bonds, the Issuer hereby irrevocably calls the Refunded Bonds for early redemption on October 1, 2015, or such other date as determined by the Mayor in the Escrow Deposit Agreement. Not less than thirty (30) days prior to such redemption date, the Issuer hereby directs The Bank of New York Mellon Trust Company, N.A., as successor to J.P. Morgan Trust Company, N.A., in its capacity as Paying Agent for the Refunded Bonds (the "2005 Paying Agent"), to mail a notice of the redemption of the Refunded Bonds to each holder thereof in accordance with the requirements of Section 14 of Resolution No. 2005-559 adopted by the City Council of the Issuer on October 20, 2005, in the form to be prepared by Bond Counsel. Furthermore, upon issuance of the 2014B Bonds for the purposes of refunding the Refunded Bonds, the Issuer hereby directs the 2005 Paying Agent to mail a notice of defeasance to each holder of the Refunded Bonds in the form to be prepared by Bond Counsel.

SECTION 18. SPECIAL OBLIGATIONS OF ISSUER. The 2014 Bonds shall not be or constitute general obligations or indebtedness of the Issuer as "bonds" within the meaning of the Constitution of Florida, but shall be payable solely from and secured by a lien upon and a pledge of the Net Revenues on parity with the Parity Bonds in the manner and to the extent

provided in the Bond Resolution. No Registered Owners shall ever have the right to compel the exercise of the ad valorem taxing power of the Issuer or taxation in any form of any real property therein to pay such principal and interest from any other funds of the Issuer, except in the manner provided in the Bond Resolution.

Pursuant to the Bond Resolution, the payment of the principal of and interest on the 2014 Bonds and the Parity Bonds is secured, equally and ratably, by an irrevocable lien on the Net Revenues, prior and superior to all other liens or encumbrances on such Net Revenues, and the Issuer has irrevocably pledged such Net Revenues to the payment of the principal of and interest on the 2014 Bonds and the Parity Bonds and for all other required payments.

The Issuer covenants and agrees that all funds and accounts created and maintained pursuant to the Bond Resolution and all moneys on deposit therein shall be trust funds in the hands of the Issuer and shall be used and applied only in the manner and for the purposes expressly provided for in the Bond Resolution. Furthermore, the Issuer may, at its option, establish separate accounts or subaccounts in the various funds and accounts created hereunder in order to keep a separate accounting of moneys related to various components of the System.

The Net Revenues are subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer.

SECTION 19. COVENANTS OF THE ISSUER. All covenants of the Issuer set forth in Section 18 of the Bond Resolution are reaffirmed and apply equally to the holders of the 2014 Bonds and the Parity Bonds.

SECTION 20. SUMMARY NOTICE OF SALE AND OFFICIAL NOTICES OF SALE; DELEGATED AWARD.

(1) The Issuer hereby approves the forms of each of the Summary Notice of Sale and the Official Notices of Sale attached hereto as Exhibit A, each made a part hereof as if set forth herein in their entirety, subject to such modifications, amendments, changes and filling of blanks therein as shall be approved by the Mayor. The Issuer hereby authorizes the newspaper publication of the Summary Notice of Sale pursuant to the requirements of law, and the distribution of the Official Notices of Sale based on the advice of the Financial Advisor.

(2) In addition to other items described herein, the Issuer hereby delegates to the Mayor and the Director of Finance of the Issuer the authority to determine the interest rates, the prices and yields and the delivery date for the 2014 Bonds, and all other details of the 2014 Bonds, and to take such further action as shall be required for carrying out the purposes of the Bond Resolution all with respect to the 2014 Bonds.

(3) Subject to full satisfaction of the conditions set forth in Section 7 and in this subparagraph (3) of this Section 20, the Issuer hereby authorizes a delegated award of the

2014 Bonds to the successful bidders in accordance with the terms of the Official Notices of Sale and the bid of the successful bidders, with such changes, amendments, modifications, omissions and additions thereto as shall be approved by the Mayor in accordance with the provisions of the Official Notices of Sale. The bid of the successful bidder to purchase the 2014A Bonds shall not be accepted by the Issuer until such time as the Issuer is in receipt of a properly delivered bid to purchase such 2014A Bonds by the successful bidder, as adjusted as permitted in the applicable Official Notice of Sale, said offer to provide for, among other things, (i) the issuance of not exceeding \$38,000,000 aggregate principal amount of 2014A Bonds, (ii) a true interest cost rate of not more than 5.00% calculated based on the 2014A Bonds only, (iii) a final maturity of the 2014A Bonds not being later than October 1, 2044, (iv) a purchase price (defined to mean original principal amount of the 2014A Bonds plus any related original issue premium less any related original issue discount less related underwriting discount) in excess of 98% of the aggregate principal amount of the 2014A Bonds plus accrued interest, if any, and (v) a completed truth-in-bonding statement in compliance with Section 218.385, Florida Statutes relating to the 2014A Bonds. The award of the 2014A Bonds to the lowest bidder and establishment of the final pricing terms and conditions shall be evidenced by the delivery of a Certificate of Mayor and Director of Finance to the City Clerk, the form of which is attached hereto as Exhibit B. The bid of the successful bidder to purchase the 2014B Bonds shall not be accepted by the Issuer until such time as the Issuer is in receipt of a properly delivered bid to purchase such 2014B Bonds by the successful bidder, as adjusted as permitted in the applicable Official Notice of Sale, said offer to provide for, among other things, (i) the issuance of not exceeding \$50,000,000 aggregate principal amount of 2014B Bonds, (ii) a true interest cost rate of not more than 4.50% calculated based on the 2014B Bonds only, (iii) a final maturity of the 2014B Bonds not being later than October 1, 2035, (iv) a purchase price (defined to mean original principal amount of the 2014B Bonds plus any related original issue premium less any related original issue discount less related underwriting discount) in excess of 98% of the aggregate principal amount of the 2014B Bonds plus accrued interest, if any, (v) net present value debt service savings equal to at least 3% of the principal amount of the Refunded Bonds being refunded with 2014B Bond proceeds, and (vi) a completed truth-in-bonding statement in compliance with Section 218.385, Florida Statutes relating to the 2014B Bonds. The award of the 2014B Bonds to the lowest bidder and establishment of the final pricing terms and conditions shall be evidenced by the delivery of a Certificate of Mayor and Director of Finance to the City Clerk, the form of which is attached hereto as Exhibit B.

SECTION 21. APPROVAL OF PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL STATEMENT. The Issuer hereby approves the form and content of the Preliminary Official Statement for the 2014 Bonds which is attached hereto as Exhibit C. The Director of Finance of the Issuer is hereby authorized to execute on behalf of the Issuer, the final Official Statement relating to the 2014 Bonds with such changes, insertions, omissions and filling of blanks in the Preliminary Official Statement as may be approved by the Director of Finance, execution thereof to be conclusive evidence of such approval. Such Preliminary Official Statement and final Official Statement are hereby authorized to be used and distributed in connection with the marketing and sale of the 2014 Bonds. The Director of Finance is

authorized to deem final the Preliminary Official Statement for purposes of Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission. The Director of Finance is authorized to deliver a certificate to the Original Purchaser of the 2014A Bonds and/or the Original Purchaser of the 2014B Bonds indicating compliance with such Rule.

SECTION 22. CONTINUING DISCLOSURE. The Issuer hereby covenants and agrees that, in order to assist the Original Purchaser in complying with the continuing disclosure requirements of the Rule with respect to the 2014 Bonds, it will comply with and carry out all of the provisions of the Disclosure Dissemination Agent Agreement (the "Continuing Disclosure Agreement") between the Issuer and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent, prior to the time the Issuer delivers the 2014 Bonds to the Original Purchaser, as may be amended from time to time in accordance with the terms thereof. The form of the Continuing Disclosure Agreement, attached hereto as Exhibit D is hereby approved and ratified, all of the provisions of which, when executed and delivered by the Issuer as authorized herein shall be deemed to be a part of this instrument as fully and to the same extent as if incorporated verbatim herein. Notwithstanding any other provision of the Bond Resolution, failure of the Issuer to comply with such Continuing Disclosure Agreement shall not be considered an event of default under the Bond Resolution. However, the Continuing Disclosure Agreement shall be enforceable by the 2014 Bondholders in the event that the Issuer fails to cure a breach thereunder within a reasonable time after written notice from a 2014 Bondholder to the Issuer that a breach exists. Any rights of the 2014 Bondholders to enforce the provisions of this covenant shall be on behalf of all 2014 Bondholders and shall be limited to a right to obtain specific performance of the Issuer's obligations thereunder.

The Continuing Disclosure Agreement shall be executed in the name of the Issuer by the Mayor and attested by the City Clerk, the official seal of the Issuer to be imprinted thereon, and shall be approved as to form and correctness by the City Attorney, with such additional changes and insertions therein as are subsequently approved, and such execution and delivery shall be conclusive evidence of the approval thereof by such officers.

SECTION 23. MEMBERS OF THE CITY COUNCIL NOT LIABLE. No covenant, stipulation, obligation or agreement contained in this Resolution shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the Issuer in his or her individual capacity, and neither the members of the City Council nor any person executing the 2014 Bonds shall be liable personally on the 2014 Bonds or this Resolution or shall be subject to any personal liability or accountability by reason of the issuance or the execution of the 2014 Bonds or this Resolution.

SECTION 24. NO THIRD-PARTY BENEFICIARIES. Except as otherwise expressly provided in this Resolution, nothing herein expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto and the 2014 Bondholders issued under and secured by the Bond Resolution, any right, remedy or claim, legal or equitable, under and by reason of this Resolution, or any provisions thereof, all

provisions thereof being intended to be and being for the sole and exclusive benefit of the parties thereto and the 2014 Bondholders from time to time of the 2014 Bonds issued under the Bond Resolution.

SECTION 25. APPOINTMENT OF PAYING AGENT, BOND REGISTRAR AND ESCROW AGENT. U.S. Bank National Association is hereby appointed Paying Agent and Bond Registrar with respect to the 2014 Bonds. U.S. Bank National Association is hereby appointed Escrow Agent with respect to the Refunded Bonds. The Paying Agent and Bond Registrar Agreement shall be executed in the name of the Issuer by the Mayor and attested by the City Clerk, the official seal of the Issuer to be imprinted thereon, and shall be approved as to form and correctness by the City Attorney, with such additional changes and insertions therein as are subsequently approved, and such execution and delivery shall be conclusive evidence of the approval thereof by such officers in substantially the form attached hereto as Exhibit E.

SECTION 26. GENERAL AUTHORITY. The members of the City Council of the Issuer, the Mayor, the Director of Finance and the Issuer's officers, attorneys and other agents and employees are hereby authorized to perform all acts and things required of them by this Resolution or desirable or consistent with the requirements hereof for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the 2014 Bonds, and the Bond Resolution including this Resolution, and they are hereby authorized to execute and deliver all documents which shall be required by Bond Counsel or the Original Purchasers to effectuate the sale of the 2014 Bonds. All action taken to date by the officers, attorneys and other agents and employees of the Issuer in furtherance of the issuance of the 2014 Bonds is hereby approved, confirmed and ratified.

SECTION 27. TRANSFER OF FUNDS. On the date of issuance of the 2014B Bonds, the Issuer may transfer moneys on deposit in the funds and accounts created for the benefit of the Refunded Bonds to the Escrow Agent to be held on behalf of the Issuer and to be used pursuant to the terms of the Escrow Deposit Agreement.

SECTION 28. SEVERABILITY. If any one or more of the covenants, agreements or provisions of the Bond Resolution including this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of the Bond Resolution including this Resolution or of the 2014 Bonds issued thereunder.

SECTION 29. REPEALER. This Resolution supersedes all prior actions of City Council inconsistent herewith. All resolutions or portions thereof in conflict with the provisions of this Resolution are hereby repealed to the extent of any such conflict.

[Remainder of page intentionally left blank]

SECTION 30. EFFECTIVE DATE. This Resolution shall become effective immediately upon its adoption.

Adopted at a regular session of the City Council held on the 18<sup>th</sup> day of September, 2014.

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Chair-Councilmember  
Presiding Officer of the City Council

ATTEST:

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City Clerk

**EXHIBIT A**

**FORM OF OFFICIAL NOTICES OF SALE  
AND SUMMARY NOTICE OF SALE**

**EXHIBIT B**

**FORM OF CERTIFICATE OF MAYOR AND DIRECTOR OF FINANCE**

**EXHIBIT C**

**FORM OF PRELIMINARY OFFICIAL STATEMENT**

**EXHIBIT D**

**FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT**

**EXHIBIT E**

**FORM OF PAYING AGENT AND BOND REGISTRAR AGREEMENT**

**EXHIBIT F**

**FORM OF ESCROW DEPOSIT AGREEMENT**

CITY OF ST. PETERSBURG, FLORIDA

\$ \_\_\_\_\_ \*

PUBLIC UTILITY REVENUE BONDS, SERIES 2014A

\$ \_\_\_\_\_ \*

PUBLIC UTILITY REFUNDING REVENUE BONDS, SERIES 2014B

OFFICIAL NOTICE OF SALE

**The Public Utility Revenue Bonds, Series 2014A (the “2014A Bonds”) and Public Utility Refunding Revenue Bonds, Series 2014B (the “2014B Bonds”) and together with the 2014A Bonds, the “2014 Bonds”) are being offered for sale in accordance with this Official Notice of Sale. Notice is hereby given that bids will be received by the City of St. Petersburg, Florida (the “City”) for the purchase of the 2014 Bonds via the Parity Electronic Bid Submission System (“Parity”) in the manner described below. Bids for the 2014A Bonds will be received until 10:45 a.m. eastern time, on \_\_\_\_\_, \_\_\_\_\_, 2014 and bids for the 2014B Bonds will be received until 11:00 a.m. eastern time, on \_\_\_\_\_, \_\_\_\_\_, 2014 or on such other dates and/or times as may be established by the Director of Finance of the City or her designee, no less than ten (10) days after the date of publication of the summary notice of sale and communicated by Thomson Municipal Market Monitor not less than twenty (20) hours prior to the time bids are to be received. To the extent any instructions or directions set forth on Parity conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about Parity, and to subscribe in advance of the bid, potential bidders may contact Parity at (212) 849-5021. The use of Parity shall be at the bidder’s risk and expense, and the City shall have no liability with respect thereto.**

\_\_\_\_\_, 2014

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\* Preliminary, subject to adjustment as provided herein

**OFFICIAL NOTICE OF SALE**

CITY OF ST. PETERSBURG, FLORIDA

\$ \_\_\_\_\_ \*

PUBLIC UTILITY REVENUE BONDS, SERIES 2014A

\$ \_\_\_\_\_ \*

PUBLIC UTILITY REFUNDING REVENUE BONDS, SERIES 2014B

The Public Utility Revenue Bonds, Series 2014A (the "2014A Bonds") and Public Utility Refunding Revenue Bonds, Series 2014B (the "2014B Bonds" and together with the 2014A Bonds, the "2014 Bonds") are being offered for sale in accordance with this Official Notice of Sale. Notice is hereby given that bids will be received by the City of St. Petersburg, Florida (the "City") for the purchase of the 2014 Bonds via the Parity Electronic Bid Submission System ("Parity") in the manner described below. Bids for the 2014A Bonds will be received until 10:45 a.m. eastern time, on \_\_\_\_\_, \_\_\_\_\_, 2014 and bids for the 2014B Bonds will be received until 11:00 a.m. eastern time, on \_\_\_\_\_, \_\_\_\_\_, 2014 or on such other dates and/or times as may be established by the Director of Finance of the City or her designee, no less than ten (10) days after the date of publication of the summary notice of sale and communicated by Thomson Municipal Market Monitor not less than twenty (20) hours prior to the time bids are to be received. To the extent any instructions or directions set forth on Parity conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about Parity, and to subscribe in advance of the bid, potential bidders may contact Parity at (212) 849-5021. The use of Parity shall be at the bidder's risk and expense, and the City shall have no liability with respect thereto. Only bids submitted through Parity will be considered. No telephone, telefax, telegraph, mail, courier delivery or personal delivery bids will be accepted.

**BOND DETAILS**

The description of the 2014 Bonds, the purpose thereof and the security therefore, as set forth in this Official Notice of Sale, is subject in its entirety to the disclosure made in the Preliminary Official Statement. See "Disclosure Information" herein.

The 2014 Bonds will be issued initially as single fully registered bonds, and when executed and delivered, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the 2014 Bonds. Individual purchases of the 2014 Bonds may be made only in book-entry form only through Direct Participants (defined herein) in denominations of \$5,000 or integral multiples thereof. Purchasers of 2014 Bonds (the "Beneficial Owners") will not receive physical delivery of bond certificates. As long as Cede & Co. is the registered owner of the 2014 Bonds, as nominee for DTC, payments of principal and interest with respect to the 2014 Bonds will be made directly to such registered owner who will in turn remit such principal and interest payments to DTC participants for subsequent disbursement to the Beneficial Owners.

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\* Preliminary, subject to adjustment as provided herein

The 2014 Bonds will be dated their date of delivery (expected to be \_\_\_\_\_, 2014) or such other date as may be communicated by Thomson Municipal Market Monitor not less than 20 hours prior to the time bids are to be received, and shall bear interest from such date and shall be payable semiannually commencing on April 1, 2015, and on each October 1 and April 1 thereafter until maturity at the rate or rates specified in such proposals as may be accepted. The proposed schedule of maturities and amounts are as follows:

**MATURITY SCHEDULE  
FOR  
THE 2014A BONDS**

<u>Maturity (Oct 1)</u>	<u>Principal Amount*</u>	<u>Maturity (Oct 1)</u>	<u>Principal Amount*</u>
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\* Preliminary; subject to adjustment as provided herein  
 \*\* Subject to Term Bond Option as described herein

**MATURITY SCHEDULE  
FOR  
THE 2014B BONDS**

<u>Maturity (Oct 1)</u>	<u>Principal Amount*</u>	<u>Maturity (Oct 1)</u>	<u>Principal Amount*</u>
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\* Preliminary; subject to adjustment as provided herein  
 \*\* Subject to Term Bond Option as described herein

**(NOTE: The City reserves the right to modify the maturity schedule shown above prior to the time bids are received. Any such modification will be communicated through the Thomson Municipal Market Monitor (See, "Adjustment of Principal Amounts" below.))**

#### **PAYING AGENT AND REGISTRAR**

The Paying Agent and Registrar for the 2014 Bonds will be \_\_\_\_\_.

#### **ADJUSTMENT OF PRINCIPAL AMOUNTS**

The schedule of maturities set forth above (the "Initial Maturity Schedules") represents an estimate of the principal amount and maturities of the 2014 Bonds that will be sold. The City reserves the right to change the Initial Maturity Schedules by announcing any such change not later than 3:00 p.m., Eastern Time, on the date immediately preceding the date set for receipt of bids, through Thomson Municipal Market Monitor. If no such change is announced, the Initial Maturity Schedule will be deemed the schedule of maturities for the Official Bid Form.

Furthermore, if after final computation of the bids, the City determines in its sole discretion that the funds necessary to accomplish the purpose of each of the 2014A Bonds and 2014B Bonds is more or less than the proceeds of the sale of all of the 2014A Bonds and 2014B Bonds, the City reserves the right to increase or decrease the aggregate principal amount, by no more than 15% of the principal amounts for the 2014A Bonds and 2014B Bonds stated on the cover of the Preliminary Official Statement and reserves the right to increase or decrease the principal amount by no more than 15% within a given maturity of the 2014A Bonds and 2014B Bonds (to be rounded to the nearest \$5,000), or by such other amount as approved by the winning bidder(s).

In the event of any such adjustment, no rebidding or recalculation of the bids submitted will be required or permitted; and the 2014 Bonds of each series and each maturity, as adjusted, will bear interest at the same rate and must have the same initial reoffering yield as specified immediately after award of each series of the 2014 Bonds of that maturity. However, the award will be made to the bidder whose bid produces the lowest true interest cost rate, calculated as specified herein, solely on the basis of the 2014A Bonds and 2014B Bonds offered, without taking into account any adjustment in the amount of 2014A Bonds and 2014B Bonds pursuant to this paragraph.

## **REDEMPTION PROVISIONS**

The 2014 Bonds that mature on or before October 1, 20\_\_ are not subject to redemption prior to their maturities.

The 2014 Bonds that mature on or after October 1, 20\_\_, are subject to redemption beginning October 1, 20\_\_ in whole or in part at any time, in any order of maturities at the option of the City, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date.

## **TERM BOND OPTION**

Any bidder may, at its option, specify that the maturities of the 2014 Bonds maturing after October 1, 20\_\_ will consist of term bonds which are subject to mandatory sinking fund redemption in consecutive years immediately preceding the maturity thereof (each a "Term Bond") as designated in the bid of such bidder. In the event that the bid of the successful bidder specifies that any maturity of the 2014 Bonds will be a Term Bond, such Term Bond will be subject to mandatory sinking fund redemption on October 1, in each applicable year, in the principal amount for such year as set forth hereinbefore under the heading "BOND DETAILS," at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium.

## **AUTHORITY AND PURPOSE**

The 2014 Bonds are being issued pursuant to Resolution No. 99-227 duly adopted by the City Council of the City on April 22, 1999, as amended and supplemented from time to time, and as particularly amended by Resolution No. 2005-559 duly adopted by the City Council of the City on October 20, 2005 and Resolution No. 2008-256 duly adopted by the City Council of the City on May 15, 2008 (the "Master Resolution") and as particularly supplemented by Resolution No. 2014-\_\_ duly adopted by the City Council of the City on \_\_\_\_\_, 2014 (the "2014 Resolution" and collectively with the Master Resolution, the "Bond Resolution") and the Constitution and laws of the State of Florida, Chapter 166, Part II, Florida Statutes, the municipal Charter of the City, and other applicable provisions of law (collectively, the "Act").

The proceeds of the 2014A Bonds are being used to (i) acquire, construct and erect improvements to the System, (ii) make a deposit into the Reserve Account in such amount that at least takes into account the difference between the amounts on deposit in the Reserve Account and the Reserve Account Requirement for the Bonds (as such term is defined in the Preliminary Official Statement) and (iii) to pay certain costs of issuance of the 2014A Bonds.

The proceeds of the 2014B Bonds are being used to (i) advance refund all or a portion of the City's currently outstanding Public Utility Revenue Bonds, Series 2005 maturing on and after October 1, 2016 and (ii) pay certain costs of issuance of the 2014B Bonds.

## SECURITY

The 2014 Bonds and the interest thereon are payable from an irrevocable first lien on the Net Revenues of the City's Public Utility System on a parity with the City's Public Utility Revenue Bonds, Series 2005 outstanding after the refunding of the Refunded 2005 Bonds in the aggregate principal amount of \$1,620,000, the City's Public Utility Refunding Revenue Bonds, Series 2006 currently outstanding in the aggregate principal amount of \$50,740,000, the City's Public Utility Revenue Bonds, Series 2009A currently outstanding in the aggregate principal amount of \$50,855,000, the City's Public Utility Refunding Revenue Bonds, Series 2009B currently outstanding in the aggregate principal amount of \$14,120,000, the City's Taxable Public Utility Revenue Bonds, Series 2010A (Federally Taxable – Build America Bonds – Direct Subsidy) currently outstanding in the aggregate principal amount of \$28,935,000, the City's Taxable Public Utility Revenue Bonds, Series 2010B (Federally Taxable – Recovery Zone Economic Development Bonds – Direct Subsidy) currently outstanding in the aggregate principal amount of \$19,695,000, the City's Public Utility Revenue Bonds, Series 2013A currently outstanding in the aggregate principal amount of \$41,925,000, the City's Public Utility Refunding Revenue Bonds, Series 2013B currently outstanding in the aggregate principal amount of \$43,500,000 and the City's Public Utility Revenue Bonds, Series 2013C currently outstanding in the aggregate principal amount of \$24,995,000.

**The 2014 Bonds shall not be or constitute general obligations or indebtedness of the City as "bonds" within the meaning of the constitution of Florida, but shall be payable solely from and secured by a lien upon and pledge of the Net Revenues as provided in the Resolution. No registered owners shall ever have the right to compel the exercise of the ad valorem taxing power of the City or taxation in any form of any real property therein to pay such principal and interest from any other funds of the City except from the Net Revenues of the System.**

## RESERVE ACCOUNT AND RATINGS

Upon issuance of the 2014A Bonds, the City will deposit into the Reserve Account proceeds of the 2014A Bonds in such amount that at least takes into account the difference between the amounts on deposit in the Reserve Account and the Reserve Account Requirement for the Bonds. (Further information about the Reserve Account is set forth in the Preliminary Official Statement under the section titled "SECURITY FOR THE 2014 BONDS").

Moody's Investor Services and Fitch Rating have assigned underlying ratings of "\_\_\_" and "\_\_\_" to the 2014 Bonds.

## TERMS OF BID AND BASIS OF AWARD

Proposals must be unconditional and for the purchase of all of the 2014A Bonds. The reoffering price for the 2014A Bonds may not be less than 98% of the principal amount of the 2014A Bonds for any single maturity thereof. The aggregate purchase price, inclusive of original issue discount ("OID"), original issue premium ("OIP") and underwriter's discount may not be equal to or less than 98% of the

principal amount of the 2014A Bonds. The true interest cost for the 2014A Bonds may not exceed 5.00%.

Proposals must be unconditional and for the purchase of all of the 2014B Bonds. The reoffering price for the 2014B Bonds may not be less than 98% of the principal amount of the 2014B Bonds for any single maturity thereof. The aggregate purchase price, inclusive of original issue discount ("OID"), original issue premium ("OIP") and underwriter's discount may not be equal to or less than 98% of the principal amount of the 2014B Bonds. The true interest cost for the 2014B Bonds may not exceed 4.50%.

The 2014 Bonds shall bear interest expressed in multiples of one-eighth (1/8) or one-twentieth (1/20) of one (1) per centum. The use of split or supplemental interest coupons will not be considered and a zero rate or blank rate will not be permitted. All 2014A Bonds maturing on the same date shall bear the same rate of interest. All 2014B Bonds maturing on the same date shall bear the same rate of interest.

The 2014A Bonds will be awarded to the bidder offering to purchase the 2014A Bonds at the lowest annual interest cost computed on a True Interest Cost basis (the "TIC"). The annual TIC will be determined by doubling the semi-annual interest rate necessary to discount the semi-annual debt service payments on the 2014A Bonds back to the Net Bond Proceeds (defined as the par amount of the 2014A Bonds, plus any OIP, less any OID and underwriter's discount on the 2014A Bonds calculated on a 30/360 day count basis to the Closing Date, as defined below). The TIC must be calculated to four (4) decimal places.

The 2014B Bonds will be awarded to the bidder offering to purchase the 2014B Bonds at the lowest annual interest cost computed on a True Interest Cost basis (the "TIC"). The annual TIC will be determined by doubling the semi-annual interest rate necessary to discount the semi-annual debt service payments on the 2014B Bonds back to the Net Bond Proceeds (defined as the par amount of the 2014B Bonds, plus any OIP, less any OID and underwriter's discount on the 2014B Bonds calculated on a 30/360 day count basis to the Closing Date, as defined below). The TIC must be calculated to four (4) decimal places.

THE CITY RESERVES THE RIGHT TO REJECT ALL BIDS OR ANY BID NOT CONFORMING TO THIS OFFICIAL NOTICE OF SALE. THE CITY ALSO RESERVES THE RIGHT TO WAIVE, IF PERMITTED BY LAW, ANY IRREGULARITY OR INFORMALITY IN ANY PROPOSAL. THE CITY SHALL NOT REJECT ANY CONFORMING BID, UNLESS ALL CONFORMING BIDS ARE REJECTED. IN ADDITION, THE CITY RESERVES THE RIGHT TO AWARD ONE, BOTH OR NEITHER SERIES OF BONDS TO THE SAME OR DIFFERENT BIDDERS AT ITS SOLE DISCRETION.

### **GOOD FAITH DEPOSIT**

If the City selects winning bids, then the successful bidder(s) must submit a "Good Faith Deposit" (the "Deposit") to the City in the form of a wire transfer in the amount of \$\_\_\_\_\_ for 2014A Bonds and \$\_\_\_\_\_ for the 2014B Bonds not later than 2:00 p.m., Eastern Time on the business day following the award. The Deposit of the successful bidder will be collected and the proceeds thereof retained by the City to be applied as partial payment for the 2014A Bonds and 2014B Bonds and no interest will be allowed or paid upon the amount thereof, but in the event the successful bidder shall fail to comply with the terms of the bid, the proceeds thereof will be retained as and for full liquidated damages.

### **STANDARD FILINGS, CHARGES AND CLOSING DOCUMENTS**

The winning bidder(s) will be required to make the standard filings and maintain the appropriate records routinely required pursuant to MSRB Rules G-8, G-11 and G-36. The winning bidder(s) will be required to pay the standard MSRB charge for the 2014 Bonds purchased. The winning bidder(s) will also be required to execute certain closing documents required by Florida law or required by bond counsel in connection with the delivery of its tax opinion. See "Disclosure; Amendments to Notice of Sale; Notification Obligations of Purchaser" herein.

### **CUSIP NUMBERS**

It is anticipated that CUSIP identification numbers will be printed on the 2014 Bonds, but neither the failure to print such number on any 2014 Bonds nor any error with respect thereto shall constitute cause for failure or refusal by the successful bidder to accept delivery of and pay for the 2014 Bonds in accordance with their agreement to purchase the 2014 Bonds. All expenses in relation to the printing of CUSIP numbers on the 2014 Bonds shall be paid for by the City; provided, however, that it shall be the responsibility of the successful bidder(s) to timely obtain and pay for the assignment of such CUSIP numbers.

### **DELIVERY OF THE 2014 BONDS**

The City will pay the cost of preparing the 2014 Bonds. The successful bidder(s) is responsible for DTC eligibility and related DTC costs. Delivery of and payment for the 2014 Bonds will be made on a date specified by the City via DTC Fast. Delivery of and payment for the 2014 Bonds will be made on or about \_\_\_\_\_, 2014 through the facilities of DTC in New York, New York, or such other time and place mutually acceptable to the successful bidder and the City. Payment of the full purchase price, less the Deposit, shall be made to the City at the closing, in Federal Reserve Funds of the United States of America, without cost to the City.

The legal opinion of Bryant Miller Olive P.A. ("Bond Counsel") will be furnished without charge to the successful bidder(s) at the time of delivery of the 2014 Bonds.

For a further discussion of the content of that opinion and the proposed form of the approving opinion, see the Preliminary Official Statement for the 2014 Bonds.

There will also be furnished at the time of delivery of the 2014 Bonds, a certificate or certificates of the City (which may be included in a consolidated closing certificate) relating to the accuracy and completeness of the Official Statement; and stating, among other things, that there is no litigation of any nature pending or, to the knowledge of the City, threatened, at the time of delivery of the 2014 Bonds, (a) to restrain or enjoin the issuance of the 2014 Bonds or (b) affecting or contesting the validity of the 2014 Bonds, and (c) that the Preliminary Official Statement has been deemed by the City to be a “final official statement” for purposes of SEC Rule 15c2-12(b)(3) and (4).

The successful bidder(s) will be responsible for the clearance or exemption with respect to the status of the 2014 Bonds for sale under the securities or “Blue Sky” laws of the several states and the preparation of any surveys or memoranda in connection with such sale.

**DISCLOSURE; AMENDMENTS TO NOTICE OF SALE;  
NOTIFICATION OBLIGATIONS OF PURCHASER**

This Official Notice of Sale is not intended as a disclosure document and bidders are required to obtain and carefully review the entire Preliminary Official Statement (including all appendices thereto) before submitting a bid.

This Official Notice of Sale may be amended from time to time after its initial publication by publication of amendments thereto not less than 20 hours prior to the bid date and time via Thomson Municipal Market Monitor. Each bidder will be charged with the responsibility of obtaining any such amendments and complying with the terms thereof.

Prior to delivery of the 2014 Bonds to the successful bidder, the successful bidder shall file with the City a statement as described in Section 218.38(1)(c)2, Florida Statutes, containing the underwriting spread, and the amount of any fee, bonus or gratuity paid in connection with the 2014 Bonds to any person not regularly employed by the successful bidder. This statement shall be filed with the City even if no such management fee or underwriting spread has been charged by the successful bidder or no such fee, bonus or gratuity has been paid by the successful bidder, and such filing shall be a condition precedent to the delivery of the 2014 Bonds by the City to the successful bidder.

The successful bidder, by submitting its bid, agrees to furnish to the City and Bond Counsel, a certificate verifying information as to the bona fide initial offering prices of the 2014 Bonds to the public and sales of the 2014 Bonds appropriate for determination of the issue price of, and the yield on, the 2014 Bonds under the Internal Revenue Code of 1986, as amended, and such other documentation as and at the time requested by Bond Counsel.

The successful bidder shall also verify its winning bid in writing to the City by executing a printed copy of its winning bid as reported on Parity.

Each bidder is required to provide a Truth in Bonding Statement pursuant to Section 218.385, Florida Statutes, and to disclose the payment of any "finder's fee" pursuant to Section 218.386, Florida Statutes, prior to the award of the 2014 Bonds, as set forth in Exhibit A.

#### **OFFICIAL STATEMENT**

The City shall furnish at its expense within seven (7) business days after the 2014 Bonds have been awarded to the successful bidder(s), or at least three (3) business days before closing, whichever is earlier, up to 150 copies of the final Official Statement, which, in the judgment of the financial advisor to the City will permit the successful bidder to comply with applicable SEC and MSRB rules. The successful bidder(s) may arrange for additional copies of the final Official Statement at its expense.

#### **CONTINUING DISCLOSURE**

The City has covenanted for the benefit of bondholders to provide certain financial information and operating data relating to the System and the 2014 Bonds in each year (the "Annual Report"), and to provide notices of the occurrence of certain enumerated material events. Such covenant shall only apply so long as the 2014 Bonds remain outstanding under the Bond Resolution. The covenant shall also cease upon the termination of the continuing disclosure requirements of Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule") by legislative, judicial or administrative action. The Annual Report will be filed by the City as required with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System ("EMMA").

## **DISCLOSURE INFORMATION**

Copies of the Preliminary Official Statement, as supplemented and amended by this Official Notice of Sale, "deemed final" (except for permitted omissions) by the City in accordance with the Rule can be obtained from the financial advisor to the City, Public Financial Management Inc., 300 South Orange Avenue, Suite 1170, Orlando, Florida 32801 (407) 406-5760 before a bid is submitted. The City's Preliminary Official Statement and Official Notice of Sale are also available for viewing in electronic format at <http://www.idealprospectus.com>.

CITY OF ST. PETERSBURG, FLORIDA

By: /s/Anne A. Fritz  
Director of Finance

**EXHIBIT A**

**2014A BONDS  
TRUTH-IN-BONDING STATEMENT  
AND DISCLOSURE**

In compliance with Section 218.385, Florida Statutes, as amended, the undersigned bidder submits the following Truth-In-Bonding Statement with respect to the 2014A Bonds (NOTE: For information purposes only and not a part of the bid):

The City is proposing to issue \$\_\_\_\_\_ of debt or obligation for the purpose of financing the costs of the acquisition, construction and erection of improvements to the Public Utility System. This debt or obligation is expected to be repaid over a period of approximately \_\_ years. At a true interest cost of \_\_\_\_%, total interest paid over the life of the debt or obligation will be \$\_\_\_\_\_.

The source of repayment or security for this proposal is Net Revenues of the City's Public Utility System in the manner and to the extent described in the Preliminary Official Statement and Official Notice of Sale. Authorizing this debt or obligation will result in \_\_\_\_\_ of such Net Revenues not being available for other services or purposes of the City each year for \_\_ years.

In compliance with Section 218.386, Florida Statutes, the undersigned, on behalf of itself and all other members of the underwriting group, if any, hereby certifies that neither it nor any member of the underwriting group have paid any "finder's fees" as defined in Section 218.386, Florida Statutes, any bonus, fee or gratuity in connection with the sale of the 2014A Bonds, except as provided below:

Bidder's Name: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**2014B BONDS  
TRUTH-IN-BONDING STATEMENT  
AND DISCLOSURE**

In compliance with Section 218.385, Florida Statutes, as amended, the undersigned bidder submits the following Truth-In-Bonding Statement with respect to the 2014B Bonds (NOTE: For information purposes only and not a part of the bid):

The City is proposing to issue \$\_\_\_\_\_ of debt or obligation for the purpose of refunding all or a portion of the Public Utility Revenue Bonds, Series 2005 maturing on and after October 1, 2016. This debt or obligation is expected to be repaid over a period of approximately \_\_ years. At a true interest cost of \_\_\_\_\_%, total interest paid over the life of the debt or obligation will be \$\_\_\_\_\_.

The source of repayment or security for this proposal is Net Revenues of the City's Public Utility System in the manner and to the extent described in the Preliminary Official Statement and Official Notice of Sale. Authorizing this debt or obligation will result in \_\_\_\_\_ of such Net Revenues not being available for other services or purposes of the City each year for \_\_ years.

In compliance with Section 218.386, Florida Statutes, the undersigned, on behalf of itself and all other members of the underwriting group, if any, hereby certifies that neither it nor any member of the underwriting group have paid any "finder's fees" as defined in Section 218.386, Florida Statutes, any bonus, fee or gratuity in connection with the sale of the 2014B Bonds, except as provided below:

Bidder's Name: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

SUMMARY NOTICE OF SALE

**City of St. Petersburg, Florida**

\$ \_\_\_\_\_ \*

**Public Utility Revenue Bonds, Series 2014A**

\$ \_\_\_\_\_ \*

**Public Utility Refunding Revenue Bonds, Series 2014B**

Bids for the above captioned bonds (the “2014A Bonds” and “2014B Bonds,” collectively referred to herein, the “2014 Bonds”) will be received by the City of St. Petersburg, Florida (the “City”), via the Parity Electronic Bid Submission System (“Parity”). Bids for the 2014A Bonds will be received until 10:45 a.m. eastern time, on \_\_\_\_\_, \_\_\_\_\_, 2014 and bids for the 2014B Bonds will be received until 11:00 a.m. eastern time, on \_\_\_\_\_, \_\_\_\_\_, 2014 or on such other dates and/or times as may be established by the Director of Finance of the City or her designee no less than ten (10) days after the date of publication of this notice and communicated by Thomson Municipal Market Monitor not less than twenty (20) hours prior to the time bids are to be received (the “Bid Dates”).

Such bids are to be opened in public at said times and place on said day for the purchase of the 2014 Bonds. The 2014A Bonds are being issued to (i) acquire, construct and erect the 2014A Project (ii) make a deposit into the Reserve Account in such amount that at least takes into account the difference between the amounts on deposit in the Reserve Account and the Reserve Account Requirement for the Outstanding Bonds and (iii) pay certain costs of issuance of the 2014A Bonds. The 2014B Bonds are being issued to (i) advance refund all or a portion of the City's outstanding Public Utility Revenue Bonds, Series 2005 which mature on and after October 1, 2016 and (ii) pay certain costs of issuance of the 2014B Bonds.

The approving opinion of Bryant Miller Olive P.A., Tampa, Florida, Bond Counsel, will be furnished to the successful bidder(s) at the expense of the City.

Electronic copies of the Preliminary Official Statement and the Official Notice of Sale relating to the 2014 Bonds will be available at the website address <http://www.idealprospectus.com>. All of such documents should be read in their entirety by prospective purchasers of the 2014 Bonds. Printed, bound copies of the Preliminary Official Statement will be available through the sale date from the City's financial advisor, Public Financial Management, 300 South Orange Avenue, Suite 1170, Orlando, Florida 32801, telephone 407-406-5760.

**City of St. Petersburg, Florida**

**Anne A. Fritz**

**Director of Finance**

Dated: \_\_\_\_\_, 2014

\*Preliminary, subject to change.

## CERTIFICATE OF MAYOR AND DIRECTOR OF FINANCE

In reference to the City of St. Petersburg, Florida Public Utility Revenue Bonds, Series 2014A (the "Series 2014A Bonds") and the City of St. Petersburg, Florida Public Utility Refunding Revenue Bonds, Series 2014B (the "Series 2014B Bonds," and together with the Series 2014A Bonds, the "Series 2014 Bonds"), the undersigned hereby finds, determines and declares:

1. The City Council (the "Council") of the City of St. Petersburg, Florida (the "City") adopted Resolution No. 99-227 on April 22, 1999 (as amended and supplemented from time to time, and as particularly amended by Resolution No. 2005-559 adopted by the City Council of the Issuer on October 20, 2005, Resolution No. 2008-256 adopted by the City Council of the Issuer on May 15, 2008, and Resolution No. 2013-400 adopted by the City Council of the Issuer on October 3, 2013, and as particularly supplemented by Resolution No. 2014-\_\_\_ adopted by the City Council of the Issuer on \_\_\_\_\_, 2014 (collectively, the "Bond Resolution") which authorized the issuance of the Series 2014A Bonds for the primary purpose of financing the acquisition, construction and erection of additions, improvements and extensions to the public utility system of the City, and the Series 2014B Bonds for the primary purpose of advance refunding the Refunded Bonds. All capitalized undefined terms used herein shall have the meanings ascribed thereto in Resolution No. 2014-\_\_\_ adopted by the City Council of the Issuer on \_\_\_\_\_, 2014 (the "Authorizing Resolution").

2. Pursuant to the Authorizing Resolution, the undersigned Mayor is authorized by the Council to take the actions required for the award and delivery of the Series 2014 Bonds as set forth in Section 20(3) of the Authorizing Resolution only in the event that they are in receipt of one or more properly delivered bids to purchase the Series 2014 Bonds, said offer to provide for, among other things, (i) the issuance of not exceeding \$38,000,000 aggregate principal amount of Series 2014A Bonds, (ii) a true interest cost rate of not more than 5.00% calculated based on the Series 2014A Bonds only, (iii) a final maturity of the Series 2014A Bonds not being later than October 1, 2044, (iv) a purchase price (defined to mean original principal amount of the Series 2014A Bonds plus any related original issue premium less any related original issue discount less related underwriting discount) in excess of 98% of the aggregate principal amount of the Series 2014A Bonds plus accrued interest, if any, (v) a completed truth-in-bonding statement in compliance with Section 218.385, Florida Statutes relating to the Series 2014A Bonds, (vi) the issuance of not exceeding \$50,000,000 aggregate principal amount of Series 2014B Bonds, (vii) a true interest cost rate of not more than 4.50% calculated based on the Series 2014B Bonds only, (viii) a final maturity of the Series 2014B Bonds not being later than October 1, 2034, (ix) a purchase price (defined to mean original principal amount of the Series 2014B Bonds plus any related original issue premium less any related original issue discount less related underwriting discount) in excess of 98% of the aggregate principal amount of the Series 2014B Bonds plus accrued interest, if any, (x) net present value debt service savings equal to at least 3% of the principal amount of the Refunded Bonds being refunded with Series 2014B Bond proceeds, and (xi) a completed truth-in-bonding statement in compliance with

Section 218.385, Florida Statutes relating to the Series 2014B Bonds, which findings satisfy the requirements of the Authorizing Resolution.

3. The Series 2014 Bonds have been subjected to competitive bids based on lowest true interest cost in accordance the Authorizing Resolution and applicable law. Bids were solicited pursuant to the Official Notice of Sale. Qualifying bids for the Series 2014A Bonds, attached hereto as Composite Exhibit A-1, were received and were publicly opened. On the basis of the lowest true interest cost to the City, subject to receipt of the good faith deposit in accordance with the terms in the Official Notice of Sale, the Series 2014A Bonds are hereby awarded on an all-or-none basis to \_\_\_\_\_ (the "2014A Original Purchaser") based on their proposed true interest cost of \_\_\_\_\_% as set forth on their bid and as verified by the City's Financial Advisor. Qualifying bids for the Series 2014B Bonds, attached hereto as Composite Exhibit A-2, were received and were publicly opened. On the basis of the lowest true interest cost to the City, subject to receipt of the good faith deposit in accordance with the terms in the Official Notice of Sale, the Series 2014B Bonds are hereby awarded on an all-or-none basis to \_\_\_\_\_ (the "2014B Original Purchaser," and together with the 2014A Original Purchaser the "Original Purchasers") based on their proposed true interest cost of \_\_\_\_\_% as set forth on their bid and as verified by the City's Financial Advisor.

4. The Series 2014 Bonds are scheduled to be delivered to the 2014A Original Purchaser and the 2014B Original Purchaser on \_\_\_\_\_, 2014.

5. Pursuant to the authority contained in the Authorizing Resolution the City has heretofore adjusted the final principal amounts and/or Amortization Installments from that which was set forth in the Official Notice of Sale. After making such permitted adjustments:

(a) The aggregate principal amount of the Series 2014A Bonds is \$\_\_\_\_\_.

(b) The aggregate principal amount of the Series 2014B Bonds is \$\_\_\_\_\_.

(c) The purchase price of the Series 2014A Bonds is \$\_\_\_\_\_ (which equals the par amount of the Series 2014A Bonds of \$\_\_\_\_\_ less a related underwriting discount of \$\_\_\_\_\_ plus a related net original issue premium of \$\_\_\_\_\_), bearing interest at the rates hereinafter set forth.

(d) The purchase price of the Series 2014B Bonds is \$\_\_\_\_\_ (which equals the par amount of the Series 2014B Bonds of \$\_\_\_\_\_ less a related underwriting discount of \$\_\_\_\_\_ plus a related net original issue premium of \$\_\_\_\_\_), bearing interest at the rates hereinafter set forth.

(e) The Series 2014 Bonds shall be dated as of the date of their delivery and shall mature on October 1 of the following years, shall bear interest payable on April 1 and October 1, commencing April 1, 2015, with such principal amounts and interest rates as follows:

\$\_\_\_\_\_ City of St. Petersburg, Florida  
Public Utility Revenue Bonds, Series 2014A

<u>Maturity</u> <u>(October 1)*</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
	\$	%

\* Serial Bonds unless otherwise noted

\*\* Denotes Term Bonds

\$\_\_\_\_\_ City of St. Petersburg, Florida  
Public Utility Refunding Revenue Bonds, Series 2014B

<u>Maturity</u> <u>(October 1)*</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
	\$	%

\* Serial Bonds unless otherwise noted

\*\* Denotes Term Bonds

6. The Series 2014 Bonds that mature on or before October 1, \_\_\_\_\_ are not subject to redemption prior to their maturities. The Series 2014 Bonds that mature on or after October 1, \_\_\_\_\_, are subject to redemption beginning October 1, \_\_\_\_\_ in whole or in part at any time, in any order of maturities at the option of the City, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date.

7. The Series 2014A Bonds maturing on October 1, \_\_\_\_\_ are subject to mandatory redemption or purchase prior to their stated dates of maturity, in part by lot, in such manner as the City may deem appropriate, from Amortization Installments deposited by the City in the Bond Amortization Account, at the principal amount thereof, unless purchased pursuant to the

operation of such Account, plus accrued interest to the redemption date, on October 1 of the years and in the principal amounts, both set forth below:

\$\_\_\_\_\_ Series 2014A Term Bonds Due October 1, \_\_\_\_\_\*  
Amortization Installments

Mandatory Redemption Date ( <u>October 1</u> )	<u>Amount</u>
*	\$

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\*Final maturity.

The Series 2014B Bonds maturing on October 1, \_\_\_\_\_ and October 1, \_\_\_\_\_ are subject to mandatory redemption or purchase prior to their stated dates of maturity, in part by lot, in such manner as the City may deem appropriate, from Amortization Installments deposited by the City in the Bond Amortization Account, at the principal amount thereof, unless purchased pursuant to the operation of such Account, plus accrued interest to the redemption date, on October 1 of the years and in the principal amounts, both set forth below:

\$\_\_\_\_\_ Series 2014B Term Bonds Due October 1, \_\_\_\_\_\*  
Amortization Installments

Mandatory Redemption Date ( <u>October 1</u> )	<u>Amount</u>
*	\$

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\*Final maturity.

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EXECUTED this \_\_\_\_ day of \_\_\_\_\_, 2014.

CITY OF ST. PETERSBURG, FLORIDA

By: \_\_\_\_\_

Name: Richard D. Kriseman

Title: Mayor

By: \_\_\_\_\_

Name: Anne A. Fritz

Title: Director of Finance

**COMPOSITE EXHIBIT A-1**

**QUALIFYING BIDS**

**COMPOSITE EXHIBIT A-2**

**QUALIFYING BIDS**

**PRELIMINARY OFFICIAL STATEMENT DATED \_\_\_\_\_, 2014**

**NEW ISSUE - FULL-BOOK ENTRY**

**Moody's:** "\_\_\_"  
**Fitch:** "\_\_\_"  
(See "Ratings" herein)

*In the opinion of Bond Counsel, assuming compliance by the City with certain covenants, under existing statutes, regulations, and judicial decisions, the interest on the 2014 Bonds will be excluded from gross income for federal income tax purposes of the holders thereof and will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, interest on the 2014 Bonds is not taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations. See "TAX EXEMPTION" herein for a description of other tax consequences to holders of the 2014 Bonds.*

**CITY OF ST. PETERSBURG, FLORIDA**

\$ \_\_\_\_\_\*  
**PUBLIC UTILITY REVENUE BONDS,  
SERIES 2014A**

\$ \_\_\_\_\_\*  
**PUBLIC UTILITY REFUNDING REVENUE BONDS,  
SERIES 2014B**

**Dated:** Date of Delivery

**Due:** As Shown on Next Page

The City of St. Petersburg, Florida (the "City") is issuing \$ \_\_\_\_\_\* of its Public Utility Revenue Bonds, Series 2014A (the "2014A Bonds") and \$ \_\_\_\_\_\* of its Public Utility Refunding Revenue Bonds, Series 2014B (the "2014B Bonds" and collectively with the 2014A Bonds, the "2014 Bonds"). The 2014 Bonds are being issued in fully registered form and, when initially issued, will be registered to Cede & Co. as nominee of The Depository Trust Company, New York, New York. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof. Purchasers will not receive physical delivery of bond certificates. Interest on the 2014 Bonds will be payable semi-annually beginning on April 1, 2015 and on each October 1 and April 1 thereafter.

The 2014 Bonds are subject to optional redemption and mandatory redemption as described herein.

The proceeds of the 2014A Bonds are being used to (i) acquire, construct and erect the 2014A Project (as described herein – see "PURPOSE OF THE 2014 BONDS – The 2014A Project"), (ii) to make a deposit into the Reserve Account in such amount that at least takes into account the difference between the amounts on deposit in the Reserve Account and the Reserve Account Requirement for the Outstanding Bonds (see "SECURITY FOR THE BONDS – Reserve Account") and (iii) to pay certain costs of issuance of the 2014A Bonds. The proceeds of the 2014B Bonds are being used to (i) advance refund all or a portion of the City's outstanding Public Utility Revenue Bonds, Series 2005 which mature on and after October 1, 2016 (the "Refunded 2005 Bonds"), (see "PURPOSE OF THE 2014 BONDS – The Refunding Plan") and (ii) pay certain costs of issuance of the 2014B Bonds.

The 2014 Bonds and the interest thereon are payable from an irrevocable first lien on the Net Revenues of the City's Public Utility System on a parity with the City's Public Utility Revenue Bonds, Series 2005 outstanding after the refunding of the Refunded 2005 Bonds in the aggregate principal amount of \$1,620,000\*, the City's Public Utility Refunding Revenue Bonds, Series 2006 currently outstanding in the aggregate principal amount of \$50,740,000, the City's Public Utility Revenue Bonds, Series 2009A currently outstanding in the aggregate principal amount of \$50,855,000, the City's Public Utility Refunding Revenue Bonds, Series 2009B currently outstanding in the aggregate principal amount of \$14,120,000, the City's Taxable Public Utility Revenue Bonds, Series 2010A (Federally Taxable – Build America Bonds – Direct Subsidy) currently outstanding in the aggregate principal amount of \$28,935,000, the City's Taxable Public Utility Revenue Bonds, Series 2010B (Federally Taxable – Recovery Zone Economic Development Bonds – Direct Subsidy) currently outstanding in the aggregate principal amount of \$19,695,000, the City's Public Utility Revenue Bonds, Series 2013A currently outstanding in the aggregate principal amount of \$41,925,000, the City's Public Utility Refunding Revenue Bonds, Series 2013B currently outstanding in the aggregate principal amount of \$43,500,000 and the City's Public Utility Revenue Bonds, Series 2013C currently outstanding in the aggregate principal amount of \$24,995,000.

The 2014 Bonds are being issued pursuant to Resolution No. 99-227 duly adopted by the City Council of the City on April 22, 1999, as amended and supplemented from time to time, and as particularly amended by Resolution No. 2005-559 duly adopted by the City Council of the City on October 20, 2005 and Resolution No. 2008-256 duly adopted by the City Council of the City on May 15, 2008 (the "Master Resolution") and as particularly amended and supplemented by Resolution No. 2013-400 duly adopted by the City Council of the City on October 3, 2013 (the "2013 Resolution") and as supplemented by Resolution No. 2014-\_\_\_\_ duly adopted by the City Council of the City on \_\_\_\_\_, 2014 (the "2014 Resolution" and collectively with the Master Resolution and the 2013 Resolution, the "Bond Resolution") and the Constitution and laws of the State of Florida, Chapter 166, Part II, Florida Statutes, Chapter 159, Part I, Florida Statutes, the municipal Charter of the City, and other applicable provisions of law (collectively, the "Act").

The 2013 Resolution contains amendments to the Bond Resolution that will become effective only upon the receipt by the City of certain consents to such amendments, as described herein. The initial purchasers of the 2014 Bonds along with the purchasers of

This Preliminary Official Statement and any information contained herein are subject to completion and amendment. Under no circumstances may this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2014 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

the 2013C Bonds shall be deemed to have consented to all of such amendments as a result of their purchase of the 2013C Bonds and the 2014 Bonds. See "PROPOSED SPRINGING AMENDMENTS TO THE BOND RESOLUTION" herein.

**Neither the 2014 Bonds nor the interest thereon constitute a general indebtedness of the City within the meaning of any constitutional, statutory or charter provision or limitation. No owner or owners of any 2014 Bonds shall ever have the right to compel the exercise of the ad valorem taxing power of the City, or taxation in any form on any real property therein, to pay the 2014 Bonds or the interest thereon.**

**This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.**

*The 2014 Bonds are offered for delivery when, as and if issued by the City and received by the Original Purchasers, subject to the approval of legality by Bryant Miller Olive P.A., Tampa, Florida, Bond Counsel. Certain legal matters will be passed upon for the City by John C. Wolfe, Esq., City Attorney, or other designated City Attorney, and GrayRobinson, P.A., Tampa, Florida, Special Disclosure Counsel to the City. Public Financial Management, Inc., Orlando, Florida, is serving as Financial Advisor to the City. It is expected that the 2014 Bonds in definitive form will be available for delivery in New York, New York on or about \_\_\_\_\_, 2014.*

**ELECTRONIC BIDS FOR THE 2014A BONDS PURSUANT TO THE PROVISIONS OF THE OFFICIAL NOTICE OF SALE WILL BE RECEIVED BY THE CITY UNTIL 10:45 A.M., EASTERN TIME ON \_\_\_\_\_, \_\_\_\_\_, 2014, OR SUCH OTHER DATE AS DESCRIBED IN THE OFFICIAL NOTICE OF SALE THROUGH THE PARITY COMPETITIVE BIDDING SYSTEM.**

**ELECTRONIC BIDS FOR THE 2014B BONDS PURSUANT TO THE PROVISIONS OF THE OFFICIAL NOTICE OF SALE WILL BE RECEIVED BY THE CITY UNTIL 11:00 A.M., EASTERN TIME ON \_\_\_\_\_, \_\_\_\_\_, 2014, OR SUCH OTHER DATE AS DESCRIBED IN THE OFFICIAL NOTICE OF SALE THROUGH THE PARITY COMPETITIVE BIDDING SYSTEM.**

\_\_\_\_\_

Dated: \_\_\_\_\_, 2014.

\_\_\_\_\_  
\*Preliminary, subject to change.

CITY OF ST. PETERSBURG, FLORIDA

\$ \_\_\_\_\_\*  
PUBLIC UTILITY REVENUE BONDS,  
SERIES 2014A

\$ \_\_\_\_\_\*  
PUBLIC UTILITY REFUNDING REVENUE BONDS,  
SERIES 2014B

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS, PRICES  
AND INITIAL CUSIP NUMBERS

\$ \_\_\_\_\_ 2014A Serial Bonds

<u>Maturity (October 1)</u>	<u>Amounts</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Initial CUSIP Number**</u>
---------------------------------	----------------	--------------------------	--------------	--------------	-------------------------------

\$ \_\_\_\_\_ % Term Bond due October 1, 20\_\_\_\_, Yield \_\_\_\_%, Price \_\_\_\_%; Initial CUSIP No. \_\_\_\_\_\*\*

\$ \_\_\_\_\_ 2014B Serial Bonds

<u>Maturity (October 1)</u>	<u>Amounts</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Initial CUSIP Number**</u>
---------------------------------	----------------	--------------------------	--------------	--------------	-------------------------------

\$ \_\_\_\_\_ % Term Bond due October 1, 20\_\_\_\_, Yield \_\_\_\_%, Price \_\_\_\_%; Initial CUSIP No. \_\_\_\_\_\*\*

\* Preliminary, subject change.

\*\* CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standards & Poor's Financial Services LLC on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers are included herein solely for the convenience of the purchasers of the Series 2014 Bonds. Neither the City nor the Original Purchasers shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.

**CITY OF ST. PETERSBURG, FLORIDA**

**ELECTED OFFICIALS**

**MAYOR**

Richard D. Kriseman

**CITY COUNCIL**

District 1 – Charles Gerdes

District 2 – James R. Kennedy, Jr.

District 3 – William H. Dudley, Chair

District 4 – Darden Rice

District 5 – Steve Kornell, Vice Chair

District 6 – Karl Nurse

District 7 – Wengay "Newt" Newton, Sr.

District 8 – Amy Foster

**APPOINTED OFFICIALS**

Gary Cornwell, City Administrator

John C. Wolfe, Esq., City Attorney

Mark A. Winn, Chief Assistant City Attorney

Anne A. Fritz, Director of Finance

Chandrasasa Srinivasa, City Clerk

Michael J. Connors, Administrator, Public Works

Steve Leavitt, Director of Water Resources

**BOND COUNSEL**

Bryant Miller Olive P.A.

Tampa, Florida

**SPECIAL DISCLOSURE COUNSEL**

GrayRobinson, P.A.

Tampa, Florida

**FINANCIAL ADVISOR**

Public Financial Management, Inc.

Orlando, Florida

No dealer, broker, salesman or other person has been authorized to make any representation, other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the 2014 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information contained in this Official Statement has been obtained from public documents, records and other sources considered to be reliable and, while not guaranteed as to completeness or accuracy, is believed to be correct. Any statements in this Official Statement involving estimates, assumptions and matters of opinion, whether or not so expressly stated, are intended as such and not as representations of fact, and the City expressly makes no representation that such estimates, assumptions and opinions will be realized or fulfilled. Any information, estimates, assumptions and matters of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder, shall under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

**IN CONNECTION WITH THE OFFERING OF THE 2014 BONDS, THE ORIGINAL PURCHASERS MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH 2014 BONDS AT THE LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.**

**THE 2014 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE BOND RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE 2014 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE 2014 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE 2014 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.**

This Preliminary Official Statement is in a form deemed final by the City for the purpose of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, except for certain information permitted to be omitted under Rule 15c2-12(b)(1).

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APPENDIX A	General Description of the City and Selected Statistics
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APPENDIX D	FY 2015 Utility Rate Study
APPENDIX E	Composite of the Bond Resolution
APPENDIX F	Form of Proposed Bond Counsel Opinion
APPENDIX G	Form of Disclosure Dissemination Agent Agreement

**OFFICIAL STATEMENT**

**CITY OF ST. PETERSBURG, FLORIDA**

**\$ \_\_\_\_\_\***  
**PUBLIC UTILITY REVENUE BONDS,**  
**SERIES 2014A**

**\$ \_\_\_\_\_\***  
**PUBLIC UTILITY REFUNDING REVENUE BONDS,**  
**SERIES 2014B**

**INTRODUCTORY STATEMENT**

The purpose of this Official Statement, which includes the cover page and the Appendices, is to provide information concerning the City of St. Petersburg, Florida (the "City") and the City's \$ \_\_\_\_\_\* Public Utility Revenue Bonds, Series 2014A (the "2014A Bonds") and \$ \_\_\_\_\_\* of its Public Utility Refunding Revenue Bonds, Series 2014B (the "2014B Bonds" and collectively with the 2014A Bonds, the "2014 Bonds"). Further information about the City is set forth in APPENDIX A – "General Description of the City and Selected Statistics" and about the City's Public Utility System in APPENDIX C – "Public Utilities System."

The 2014 Bonds are being issued pursuant to Resolution No. 99-227 duly adopted by the City Council of the City on April 22, 1999, as amended and supplemented from time to time, and as particularly amended by Resolution No. 2005-559 duly adopted by the City Council of the City on October 20, 2005 and Resolution No. 2008-256 duly adopted by the City Council of the City on May 15, 2008 (the "Master Resolution") and as particularly amended and supplemented by Resolution No. 2013-400 duly adopted by the City Council of the City on October 3, 2013 (the "2013 Resolution") and as supplemented by Resolution No. 2014-\_\_\_ duly adopted by the City Council of the City on \_\_\_\_\_, 2014 (the "2014 Resolution" and collectively with the Master Resolution and the 2013 Resolution, the "Bond Resolution") and the Constitution and laws of the State of Florida, Chapter 166, Part II, Florida Statutes, the municipal Charter of the City, and other applicable provisions of law (collectively, the "Act").

The 2013 Resolution contains amendments to the Bond Resolution that will become effective only upon the receipt by the City of certain consents to such amendments, as described herein. The initial purchasers of the 2014 Bonds shall be deemed to have consented to all of such amendments as a result of their purchase of the 2014 Bonds. See "PROPOSED SPRINGING AMENDMENTS TO THE BOND RESOLUTION" herein.

The Bonds are being issued on a parity with the City's Public Utility Revenue Bonds, Series 2005 to be outstanding after the refunding of the Refunded 2005 Bonds (as hereinafter defined) in the aggregate principal amount of \$1,620,000\* (the "Unrefunded 2005 Bonds"), the City's Public Utility Refunding Revenue Bonds, Series 2006 currently outstanding in the aggregate principal amount of \$50,740,000, the City's Public Utility Revenue Bonds, Series 2009A currently outstanding in the aggregate principal amount of \$50,855,000, the City's Public Utility Refunding Revenue Bonds, Series 2009B currently outstanding in the aggregate principal amount of \$14,120,000, the City's Taxable Public Utility Revenue Bonds, Series 2010A (Federally Taxable – Build America Bonds – Direct Subsidy) currently outstanding in the aggregate principal amount of \$28,935,000, the City's Taxable Public Utility Revenue Bonds, Series 2010B (Federally Taxable – Recovery Zone Economic Development Bonds – Direct Subsidy) currently outstanding in the aggregate principal amount of \$19,695,000, the City's Public Utility Revenue Bonds, Series 2013A currently outstanding in the aggregate principal amount of \$41,925,000, the City's Public Utility Refunding Revenue Bonds, Series 2013B currently outstanding in the aggregate principal amount of \$43,500,000 and the City's Public Utility Revenue Bonds, Series 2013C currently outstanding in the aggregate principal amount of \$24,995,000.

Definitions of certain capitalized words and terms used herein are contained in the "Composite of the Bond Resolution" in APPENDIX E hereto.

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the 2014 Bonds, the security for the payment of the 2014 Bonds, and the rights and obligations of holders thereof.

The information contained in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the 2014 Bonds.

### **PURPOSE OF THE 2014 BONDS**

The proceeds of the 2014A Bonds are being used to (i) acquire, construct and erect the 2014A Project (as described below), (ii) to make a deposit into the Reserve Account in such amount that at least takes into account the difference between the amounts on deposit in the Reserve Account and the Reserve Account Requirement for the Outstanding Bonds (see "SECURITY FOR THE BONDS – Reserve Account"), and (iii) to pay certain costs of issuance of the 2014A Bonds. The proceeds of the 2014B Bonds are being used to (i) advance refund all or a portion of the City's Public Utility Refunding Revenue Bonds, Series 2005 that mature on or after October 1, 2016 (the "Refunded 2005 Bonds"), and (ii) pay certain costs of issuance of the 2014B Bonds.

#### **The 2014A Project**

A portion of the proceeds from the issuance of the 2014A Bonds will be used to finance and/or reimburse the acquisition, construction and erection of the 2014A Project. The 2014A Project includes the following projects to the System (as defined herein and as described in APPENDIX C – "Public Utilities System"):

- (i) Replacement of existing pipelines and facilities in the Water Treatment and Distribution System at an approximate cost of \$5,140,000;
- (ii) Replacement and rehabilitation of the Wastewater Collection System at an approximate cost of \$6,900,000;
- (iii) Rehabilitation of existing facilities and enhancement of reliability of treatment processes to Water Reclamation Facilities at an approximate cost of \$19,102,000;
- (iv) Rehabilitation of Wastewater Lift Stations at an approximate cost of \$1,250,000;
- (v) the acquisition, construction and erection of improvements to the System to be acquired, constructed and erected in accordance with plans on file at the office of the City, as such plans may be modified from time to time.

#### **The Refunding Plan**

Upon delivery of the 2014B Bonds, U.S. Bank National Association, Orlando, Florida (the "Escrow Agent"), will enter into an Escrow Deposit Agreement (the "Escrow Agreement") with the City

to provide for the advance refunding of the Refunded 2005 Bonds. The Escrow Agreement creates an irrevocable escrow deposit trust fund (the "Escrow Fund") which is held by the Escrow Agent, and the money and securities held therein are to be applied to the payment of principal of, interest and applicable redemption premium on the Refunded 2005 Bonds, as the same become due and payable, whether at maturity or redemption prior to maturity. Immediately upon the issuance and delivery of the 2014B Bonds, the City will deposit certain of the proceeds from the sale of the 2014B Bonds into the Escrow Fund, together with other legally available moneys of the City. Money deposited in the Escrow Fund will be invested in direct United States Treasury obligations (the "Refunding Securities") maturing in amounts and bearing interest at rates sufficient, together with any cash held uninvested in the Escrow Fund, to legally defease the Refunded 2005 Bonds in accordance with the Bond Resolution. It is expected that the Refunded 2005 Bonds will be redeemed on October 1, 2015 with proceeds of the 2014B Bonds and any other legally available moneys. The maturing principal amount of and interest on the Refunding Securities and any cash held in the Escrow Fund, in the amounts needed to pay the principal of, interest on and redemption premium with respect to the Refunded 2005 Bonds, are pledged solely for the benefit of the holders of the Refunded 2005 Bonds, and will not be available for payment of debt service on the 2014B Bonds.

Upon delivery of the 2014B Bonds, Robert Thomas CPA, LLC (the "Verification Agent") will verify the accuracy of the arithmetical computations of the adequacy of the Refunding Securities to be held in the Escrow Fund to pay, when due, the principal of, interest and premium on the Refunded 2005 Bonds and the "yield" on the 2014 Bonds on the Refunding Securities considered by Bond Counsel in connection with the opinion that the 2014 Bonds are not "arbitrage" bonds within the meaning of Section 148 of the Code. Such verification will be based upon schedules provided by Public Financial Management, Inc., the City's Financial Advisor (the "Financial Advisor"). See "VERIFICATION OF ARITHMETICAL COMPUTATIONS" herein.

Upon delivery of the 2014B Bonds and the deposit of the Refunding Securities into the Escrow Fund, in the opinion of Bryant Miller Olive P.A., Bond Counsel (rendered in reliance upon schedules provided by the Financial Advisor and the verification report of the Verification Agent), the pledge of and lien on the Net Revenues in favor of holders of the Refunded 2005 Bonds shall no longer be in effect.

## **DESCRIPTION OF THE 2014 BONDS**

### **General**

Principal of, and premium, if any, on the 2014 Bonds are payable at the designated corporate office of the Paying Agent, U.S. Bank National Association, Orlando, Florida, which is also acting as Bond Registrar. The 2014 Bonds will be initially issued in the form of a single fully registered 2014 Bond for each maturity of each series. Upon initial issuance, the ownership of each such 2014 Bond will be registered in the registration books kept by the Bond Registrar, in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). See "DESCRIPTION OF THE 2014 BONDS – Book-Entry Only System." The 2014 Bonds will be dated the date of delivery, and will bear interest at the rates and mature in the amounts and at the times set forth on the inside cover page of this Official Statement. The 2014 Bonds are to be issued as fully registered bonds in denominations of \$5,000 or integral multiples thereof. Interest will be payable on April 1, 2015, and semiannually thereafter on October 1 and April 1 of each year. Interest on the 2014 Bonds shall be payable by check or draft mailed to the Registered Owners at their addresses as they appear on the registration books of the City maintained by the Bond Registrar; however, in the case of a Registered Owner of \$1,000,000 or more in aggregate principal amount of 2014 Bonds, upon written request of such Registered Owner to the Bond Registrar ten (10) days prior to the Record Date relating to such Interest Payment Date, such interest shall

be paid on the Interest Payment Date in immediately available funds by wire transfer, at the expense of the Registered Owner.

With respect to 2014 Bonds registered in the name of Cede & Co., as nominee of DTC, neither the City nor the Paying Agent will have any responsibility or obligation to any DTC Participant or to any indirect DTC Participant. See "DESCRIPTION OF THE 2014 BONDS – Book-Entry Only System" for the definition of "DTC Participant." Without limiting the immediately preceding sentence, neither the City, the Bond Registrar nor the Paying Agent will have any responsibility or obligation with respect to: (i) the accuracy of the records of DTC or any DTC Participant with respect to any ownership interest in the 2014 Bonds; (ii) the delivery to any DTC Participant or any other person other than a Registered Owner, as shown in the registration books kept by the Bond Registrar, of any notice with respect to the 2014 Bonds, including any notice of redemption; or (iii) the payment to any DTC Participant or any other person, other than a Registered Owner, as shown in the registration books kept by the Bond Registrar, of any amount with respect to principal of, premium, if any, or interest on the 2014 Bonds. The City, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each 2014 Bond is registered in the registration books kept by the Bond Registrar as the holder and absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent will pay all principal of, premium, if any, and interest on the 2014 Bonds only to or upon the order of the respective Registered Owners, as shown in the registration books kept by the Bond Registrar, or their respective attorneys duly authorized in writing, as provided in the Bond Resolution, and all such payments will be valid and effectual to satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the 2014 Bonds to the extent of the sums so paid. No person other than a Registered Owner, as shown in the registration books kept by the Bond Registrar, will receive a certificated Bond evidencing the obligation of the City to make payments of principal of, premium, if any, and interest on the 2014 Bonds pursuant to the provisions of the Bond Resolution.

### **Optional Redemption**

The 2014 Bonds that mature on or before October 1, 20\_\_ are not subject to redemption prior to their maturities. The 2014 Bonds that mature on or after October 1, 20\_\_, are subject to redemption beginning October 1, 20\_\_ in whole or in part at any time, in any order of maturities at the option of the City, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date.

### **Mandatory Redemption**

The 2014A Bonds maturing on October 1, 20\_\_ are subject to mandatory redemption or purchase prior to their stated dates of maturity, in part by lot, in such manner as the City may deem appropriate, from Amortization Installments deposited by the City in the Bond Amortization Account, at the principal amount thereof, unless purchased pursuant to the operation of such Account, plus accrued interest to the redemption date, on October 1 of the years and in the principal amounts, both set forth below:

\$ \_\_\_\_\_ 2014A Term Bonds Due October 1, 20\_\_\_\_  
Amortization Installments

Mandatory Redemption Date (October 1)	Amount
---------------------------------------------	--------

\*

\_\_\_\_\_  
\*Final Maturity.

The 2014B Bonds maturing on October 1, 20\_\_\_\_ are subject to mandatory redemption or purchase prior to their stated dates of maturity, in part by lot, in such manner as the City may deem appropriate, from Amortization Installments deposited by the City in the Bond Amortization Account, at the principal amount thereof, unless purchased pursuant to the operation of such Account, plus accrued interest to the redemption date, on October 1 of the years and in the principal amounts, both set forth below:

\$ \_\_\_\_\_ 2014B Term Bonds Due October 1, 20\_\_\_\_  
Amortization Installments

Mandatory Redemption Date (October 1)	Amount
---------------------------------------------	--------

\*

\_\_\_\_\_  
\*Final Maturity.

**Notice of Redemption**

At least thirty (30) days prior to the expected redemption date, notice of such redemption shall be filed with the Paying Agent and shall be mailed, postage prepaid to all Registered Owners of the 2014 Bonds to be redeemed at their addresses as they appear on the registration books. Interest shall cease to accrue on any 2014 Bonds duly called for prior redemption, after the redemption date, if payment thereof has been duly provided. The privilege of transfer or exchange of any of the 2014 Bonds selected for redemption is suspended for a fifteen (15) day period preceding the date of selection of the 2014 Bonds to be redeemed. Nothing in the Bond Resolution shall be deemed to require the City to have deposited monies with the Paying Agent or any escrow holder prior to providing such notice of expected redemption.

Any notice of optional redemption given pursuant to the Bond Resolution may state that it is conditional upon receipt by the Paying Agent of moneys sufficient to pay the redemption price, plus interest accrued to the redemption date, or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such redemption price and accrued interest if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission shall be given by the

Paying Agent to affected Registered Owners of 2014 Bonds as promptly as practicable upon the failure of such condition or the occurrence of such other event.

### **Book-Entry Only System**

*The information under this caption concerning The Depository Trust Company, New York, New York ("DTC") and DTC's book entry system has been obtained from DTC and the City makes no representation or warranty or takes any responsibility for the accuracy or completeness of such information.*

DTC will act as securities depository for the 2014 Bonds. The 2014 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of each series of the 2014 Bonds and deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions, in deposited securities, through electronic computerized book entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's of rating AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the 2014 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such 2014 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2014 Bond (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2014 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2014 Bonds, except in the event that use of the book entry system for the 2014 Bonds is discontinued.

To facilitate subsequent transfers, all 2014 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of 2014 Bonds with DTC and their

registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2014 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2014 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the 2014 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2014 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond Resolution. For example, Beneficial Owners of the 2014 Bonds may wish to ascertain that the nominee holding the 2014 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of a maturity of the 2014 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such 2014 Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2014 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2014 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and interest payments on the 2014 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2014 Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, 2014 Bonds are required to be printed and delivered.

The City may, pursuant to the procedures of DTC, decide to discontinue use of the system of book entry-only transfers through DTC (or a successor securities depository). In that event, the 2014 Bonds will be printed and delivered to DTC.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE 2014 BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE HOLDER OF THE 2014 BONDS OR REGISTERED OWNERS OF THE 2014 BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE 2014 BONDS.

The City can make no assurances that DTC will distribute payments of principal of, redemption premium, if any, or interest on the 2014 Bonds to the Direct Participants, or that Direct and Indirect Participants will distribute payments of principal of, redemption price, if any, or interest on the 2014 Bonds or redemption notices to the Beneficial Owners of such 2014 Bonds or that they will do so on a timely basis, or that DTC or any of its Participants will act in a manner described in this Official Statement. The City is not responsible or liable for the failure of DTC to make any payment to any Direct Participant or failure of any Direct or Indirect Participant to give any notice or make any payment to a Beneficial Owner in respect to the 2014 Bonds or any error or delay relating thereto.

The rights of holders of beneficial interests in the 2014 Bonds and the manner of transferring or pledging those interests is subject to applicable state law. Holders of beneficial interests in the 2014 Bonds may want to discuss the manner of transferring or pledging their interest in the 2014 Bonds with their legal advisors.

For every transfer of ownership interests in the 2014 Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

## **PUBLIC UTILITIES SYSTEM**

The Public Utilities System (the "System") includes the treatment, transmission and distribution of potable water; collection, transmission, treatment and effluent disposal of wastewater; storage, pumping, transmission and distribution of reclaimed water; and the collection, transmission and treatment of stormwater to customers within the City and adjacent areas. Also included in the System are the existing properties and assets, real and personal, tangible and intangible, owned or operated by the City that are used or useful for the aforementioned purposes and all properties and assets constructed or acquired as additions, improvements and betterments to the System and extensions thereof. The System is further described in APPENDIX C hereto.

## **SECURITY FOR THE BONDS**

### **Net Revenues of the System**

The principal, interest, and other payments required for the Unrefunded 2005 Bonds, the 2006 Bonds, the 2009A Bonds, the 2009B Bonds, the 2010A Bonds, the 2010B Bonds, the 2013A Bonds, the 2013B Bonds, the 2013C Bonds, the 2014 Bonds and any Additional Parity Obligations hereafter issued (collectively the "Bonds") are secured by and payable solely from an irrevocable first lien upon and pledge of the Net Revenues of the System. Net Revenues of the System are the Gross Revenues of the System after deduction of the Cost of Operation and Maintenance. Gross Revenues include all income or earnings derived by the City from the operation of the System, including connection charges, cost recovery for shared treatment facilities, proceeds of the sale, condemnation and/or insurance on the System, and any income from the investment of moneys in the Operating Fund, the Debt Service Fund and the Improvement Fund. Gross Revenues shall also include any special assessments lawfully levied by the City upon users of the System, but shall not include any Impact Fees, federal or state grants, Contributions in Aid of Construction, or the proceeds, if any, from wellfields or property related thereto or property available for use as wellfields and in either case currently owned by the City and located in

Pasco or Hillsborough County. Direct Subsidy Payments expected to be received from the United States Treasury Secretary with respect to the 2010A and 2010B Bonds are treated as Gross Revenues under the Bond Resolution and are therefore pledged as a source of security for the Bonds.\* In addition, Gross Revenues shall not include any income from the investment of the Operating Reserve Funds. "Cost of Operation and Maintenance" of the System means the current expenses, paid or accrued, of operation, maintenance and repair of the System, as calculated in accordance with sound accounting practice, but shall not include "non-direct" administrative expenses allocated from non-utility system departments (but shall include the cost of billings and collections), payments in lieu of taxes, any reserve for renewals and replacements, extraordinary repairs or any allowance for depreciation. "Cost of Operation and Maintenance" shall also include amounts payable by the City to Tampa Bay Water, a Regional Water Supply Authority ("Tampa Bay Water") or any other supplier of water for the cost of purchased water or the right to receive water. See "Composite of the Bond Resolution" included as APPENDIX E hereto.

The City received a lump sum partial payment of \$93,400,000 pursuant to the sale of the City's water supply facilities to Tampa Bay Water on September 29, 1998. The \$93,400,000 proceeds from the sale of the water supply facilities were transferred to the Operating Reserve Fund pursuant to the Master Resolution. All investment earnings thereon, except as set forth in the next sentence, shall only be used for the purpose of purchasing water for use by the System. The City is restricted by provisions of the Master Resolution as to the use of amounts on deposit in the Operating Reserve Fund to acquire, construct and erect additional facilities for the production of water and the transmission thereof to the System. Amounts on deposit in the Operating Reserve Fund may not be used to pay the principal of or interest on the Bonds.

By Resolution No. 2008-256 adopted by the City Council on May 15, 2008, the Master Resolution was amended to provide that in addition to providing that moneys in the Operating Reserve Fund, including investment earnings thereon, may be used for the purpose of acquiring, constructing and erecting additional facilities for the production of water and the transmission thereof to the System, such moneys may also be used for making interfund loans for a public purpose, subject to approval by the City Council and the written consent of the Credit Facility Issuers. See "Composite of the Bond Resolution" included as APPENDIX E hereto.

The City Council adopted Resolution No. 2008-257 on May 15, 2008 approving an interfund loan of \$8,995,565 from the Operating Reserve Fund. The Credit Facility Issuers both provided their written consents. In connection with the City's issuance of its Excise Tax Refunding Revenue Bonds, Series 1993 (the "Excise Tax Bonds"), the City funded the "1993 Reserve Subaccount" therefore in an amount equal to \$8,995,565 through the purchase of a surety bond from Financial Guaranty Insurance Company ("FGIC"). FGIC has since been downgraded by the rating agencies. Accordingly, the City was required to replace such FGIC surety bond with cash or permitted investments or another surety bond, insurance policy or letter of credit. Based upon the advice of the City's Financial Advisor, the City determined that the most cost effective manner to satisfy such requirement was to replace the surety bond with sufficient cash to meet the "Reserve Requirement" for the Excise Tax Bonds. Accordingly, an interfund loan was made to the 1993 Reserve Account for the Excise Tax Bonds. The proceeds of such interfund loan

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\* Pursuant to the Sequestration Transparency Act of 2012 (P.L. 112-155) and as required by the Budget Control Act of 2011, the payments authorized for direct-pay bonds, such as the 2010A Bonds and the 2010B Bonds, issued under the Recovery and Reinvestment Act of 2009 are included in the sequestration to reduce the federal deficit by \$1.2 trillion. The Internal Revenue Service's Office of Tax Exempt Bonds has announced that the sequester reduction percentage for Direct Subsidy Payments on or after October 1, 2013 and before October 1, 2014 will be 7.2% of gross interest on 2010A Bonds and 2010B Bonds, estimated by the City to equal approximately \$85,354.52 on the 2010A Bonds and the 2010B Bonds. Payment of debt service on the 2010A Bonds and the 2010B Bonds is not contingent upon receipt by the City of the Direct Subsidy Payments and the City does not expect any such reduction in Direct Subsidy Payments will effect its ability to pay debt service on the 2010A Bonds and the 2010B Bonds.

(\$8,995,565) have been invested in Investment Obligations (as such term is defined in the Resolution for the Excise Tax Bonds). Accordingly, the interest rate on the interfund loan payable to the Operating Reserve Fund is equal to the investment return from the Investment Obligations. The maturity date of such interfund loan is October 1, 2015.

### Subordinate Lien State Loans

In 1998, the Florida Department of Environmental Protection (the "DEP") developed a State Revolving Fund ("SRF") Loan Program. The City has entered into six (6) State Revolving Fund Loan Agreements for wastewater facilities (the "SRF Agreements"), four (4) with the DEP and two (2) with the Florida Water Pollution Control Financing Corporation (the "Corporation"). The SRF Agreements constitute Subordinate Debt for purposes of the Bond Resolution. The City is required to make semi-annual principal and interest payments on the SRF Loans. There can be no assurance of further federal or state funding for this program.

#### Completed Loans

<u>Loan Approval Date</u>	<u>Issue Date</u>	<u>Loan Number</u>	<u>Original Loan Amount</u>	<u>Remaining Loan Amount<sup>(1)</sup></u>	<u>Interest Rate</u>	<u>Maturity</u>
Apr. 15, 1998	03/15/01	CS120521010	\$13,227,511	\$5,410,345	3.11-3.18%	09/15/20
May 4, 2000	09/15/03	CS120521020	3,587,494	1,811,709	3.33%	11/15/22
Nov. 27, 2001	09/15/03	CS12052104P	445,776	245,258	3.05%	09/15/23
Nov. 8, 2001	09/05/04	CS120521030	5,851,730	3,234,675	2.93-3.05%	09/15/23
Dec. 5, 2003	01/15/04	WW52105L	4,519,117	2,461,022	2.96%	01/15/24
May 18, 2011	05/15/14	WW520600	6,487,184	6,022,392	2.67%	11/15/32
			<u>\$34,118,812</u>	<u>\$19,185,401</u>		

(1) As of August 15, 2014.

Under the SRF Agreements, the DEP and the Corporation have liens on what is referred to in the SRF Agreements as the "pledged revenues" (the "SRF Loan Pledged Revenues"), such lien being prior and superior to any other lien, pledge or assignment of the SRF Pledged Revenues but is inferior to the lien on the Bonds. For purposes of the SRF Loans, "Pledged Revenues" means the Gross Revenues from the operation of the System after the payment of the Cost of Operation and Maintenance and all annual payments in connection with the Bonds issued under the Bond Resolution.

### Bonds Not a Debt of the City

**The Bonds shall not be or constitute general obligations or indebtedness of the City as "bonds" within the meaning of the constitution of Florida, but shall be payable solely from and secured by a lien upon and pledge of the Net Revenues as provided in the Bond Resolution. No registered owners shall ever have the right to compel the exercise of the ad valorem taxing power of the City or taxation in any form of any real property therein to pay such principal and interest from any other funds of the City except from the Net Revenues of the System.**

### Reserve Account

A Reserve Account within the Debt Service Fund has been established by the Bond Resolution to secure the Bonds. Any withdrawals from the Reserve Account or any deficiencies in the Reserve Account shall be subsequently restored from the first moneys available in the Operating Fund, on a pro

rata basis after all required current payments for Cost of Operation and Maintenance and all current applications and allocations to the other accounts in the Debt Service Fund, including all deficiencies for prior payments having been made in full. The City may deposit into the Reserve Account an amount such that not less than the Reserve Account Requirement (as defined in the "Composite of the Bond Resolution" in APPENDIX E) shall be on deposit not later than sixty months after the date of issuance of a series of the Bonds or the date of any such withdrawal from the Reserve Account (assuming equal monthly payments for such sixty month period) or not later than such earlier date as shall be determined by the resolution authorizing such series of Bonds. For any series of Bonds, the City may provide that the difference between the amounts on deposit in the Reserve Account and the Reserve Account Requirement shall be an amount covered by obtaining bond insurance issued by a reputable and recognized municipal bond insurer, by a surety bond, by a letter of credit or any combination thereof or by such other form of credit enhancement as shall be approved by subsequent resolution of the City. Such resolution may also provide for the substitution of such credit enhancement. Moneys in the Reserve Account shall be used only for the purpose of the payment of Amortization Installments, principal of, or interest on the Bonds when the other moneys allocated to the other accounts in the Debt Service Fund are insufficient therefore, and for no other purpose. Investments in the Reserve Account shall be valued on September 30 of each year at their market value. See "Composite of the Bond Resolution – Disposition of Gross Revenues" included as APPENDIX E hereto.

From proceeds of the 2014A Bonds, the City will deposit into the Reserve Account an amount equal to \$\_\_\_\_\_ in addition to cash or investments in the amount of \$\_\_\_\_\_ already on deposit. Following such deposit, cash and/or Investment Securities in an amount equal to \$\_\_\_\_\_ will be on deposit in the Reserve Account.

The City purchased a surety bond from Financial Security Assurance Inc. ("FSA") in 2003 (the "2003 Reserve Policy"). The principal amount of the 2003 Reserve Policy on deposit in the Reserve Account is currently \$3,094,784.86. The 2003 Reserve Policy will terminate on October 1, 2033. FSA was acquired by Assured Guaranty Corp. ("Assured") in July 2009. The insurer financial strength rating of Assured is "A2" by Moody's Investors Services ("Moody's") and "AA" by Standard & Poor's ("S&P").

In lieu of a cash deposit into the Reserve Account, the City purchased a surety bond from MBIA Insurance Corporation ("MBIA") in the amount of \$2,915,963.74 in connection with the issuance of the 2005 Bonds (the "2005 Reserve Policy") and deposited it into the Reserve Account. The 2005 Reserve Policy has a termination date of October 1, 2035 and, along with the 2003 Reserve Policy (which terminates on October 1, 2033), will secure the holders of the Unrefunded 2005 Bonds, the 2006 Bonds, the 2009A Bonds, the 2009B Bonds, the 2010A Bonds, the 2010B Bonds, the 2013A Bonds, the 2013B Bonds, the 2013C Bonds and the 2014 Bonds. The 2005 Reserve Policy is payable to the Paying Agent on any Interest Payment Date on which a deficiency exists which cannot be cured by funds available in the Debt Service Fund. Upon termination of the 2003 Reserve Policy, the 2005 Reserve Policy together with cash on deposit in the Reserve Account will not meet the Reserve Account Requirement for the Bonds. Accordingly, the City will be required to provide the difference between the amounts on deposit in the Reserve Account and the then Reserve Account Requirement (deficiency estimated to equal \$\_\_\_\_\_ on October 1, 2033) by depositing sufficient money or a surety bond, a letter of credit or any combination thereof, or by such other form of credit enhancement as shall be approved by subsequent resolution of the City. Upon termination of the 2005 Reserve Policy and assuming the above deposit on October 1, 2033, the City will be required to provide the difference between the amounts on deposit in the Reserve Account and the Reserve Account Requirement (deficiency estimated to equal \$\_\_\_\_\_) by depositing sufficient money or a surety bond, a letter of credit or any combination thereof, or by such other form of credit enhancement as shall be approved by subsequent resolution of the City.

MBIA, Inc., of which MBIA is a bond insurance subsidiary, has restructured its insurance subsidiaries to form a new U.S. public finance-only insurer, MBIA Insurance Corp. of Illinois, renamed National Public Finance Guarantee Corporation ("National"). The insurer financial strength of National is rated "A3" by Moody's and "AA-" by S&P. The City is not required to replace the MBIA surety bond with cash or permitted investments or another surety bond as a result of any further downgrades of National.

See "SECURITY FOR THE BONDS – Reserve Account." Also, see "PROPOSED SPRINGING AMENDMENTS TO THE BOND RESOLUTION" and APPENDIX E – "Composite of Bond Resolution" for a description of springing amendments to the Bond Resolution including the ability of the City to create separate subaccounts in the Reserve Account to secure any series of Bonds issued in the future and the amendment to the definition of "Reserve Account Requirement" allowing for it to be set at \$0 as applicable to any such subaccounts if deemed advantageous to be determined upon issuance of such series.

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## HISTORICAL SYSTEM REVENUES, EXPENSES AND BOND SERVICE COVERAGE

	Fiscal Years Ended September 30				
	(000's omitted)				
	<u>2009<sup>(1)</sup></u>	<u>2010<sup>(1)</sup></u>	<u>2011<sup>(1)</sup></u>	<u>2012<sup>(1)</sup></u>	<u>2013<sup>(1)</sup></u>
Gross Revenues	\$103,496	\$104,214 <sup>(3)</sup>	\$110,235	\$116,214	\$117,231
<u>Less:</u>					
Cost of Operation & Maintenance <sup>(2)</sup>	(75,516)	(77,131) <sup>(4)</sup>	(79,970)	(79,347)	(82,257)
Net Revenue Available for Bond Service Requirement	\$27,980	\$27,083	\$30,265	\$36,867	\$34,974
Annual Bond Service Requirement on the Bonds	11,691	12,561	14,973 <sup>(4)</sup>	17,156 <sup>(4)</sup>	17,211 <sup>(4)(5)</sup>
Maximum Bond Service Requirement on the Bonds	14,133	14,133	17,491	17,490	19,376
Bond Service Coverage					
Annual Basis <sup>(5)</sup>	2.39x	2.16x	2.02x	2.15x	2.03x
Maximum Basis	1.97x	1.92x	1.73x	2.11x	1.81x
Bond Service Coverage Including Subordinate Debt Service:					
Annual Required Debt Service	\$13,634	\$14,504	\$16,916	\$19,099	\$19,394
Maximum Debt Service Requirement	16,076	16,076	19,433	19,433	21,273
Debt Service Coverage:					
Annual Basis	2.05x	1.87x	1.79x	1.93x	1.80x
Maximum Basis	1.74x	1.68x	1.56x	1.90x	1.64x

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- (1) Derived from audited financial statements included in the City's Annual Comprehensive Financial Reports for the Fiscal Years ended September 30, 2009 through 2013.
  - (2) Gross expenses less depreciation, interest and general administrative costs.
  - (3) Excludes loss on disposal of capital assets related to prior period adjustments.
  - (4) Not reduced by Interest Subsidies received for the 2010A & 2010B Public Utility Revenue Bonds.
  - (5) Does not include 2013C Public Utility Revenue Bonds as these were issued in November 2013.

Source: Department of Finance, City of St. Petersburg, Florida.

## **FY 2015 UTILITY RATE STUDY**

**[Subject to update.]**

Burton & Associates (the "Rate Consultant") conducted a comprehensive Water, Wastewater, and Reclaimed Water Utility Rate Study (the "Study") for the City's System that consisted of a Revenue Sufficiency Analysis ("RSA") and Cost of Service Allocation. The Report is included as APPENDIX D and describes in detail the assumptions, procedures, and results of the Study, including the Rate Consultant's conclusions and recommendations.

### **Rate Consultant's Conclusions and Recommendations**

Based upon the RSA presented in the Report and the results presented in the Report, the Rate Consultant reached the following conclusions and recommendations:

- In Fiscal Year 2015, a combined increase in water, wastewater, and reclaimed water retail rates of \_\_\_% is necessary to satisfy the System's projected operating and maintenance expenditure and capital requirements, while maintaining adequate reserves and debt service coverage levels that are indicative of financially strong utility systems as measured by municipal utility rating agencies and consistent with industry practice.
- Beginning in Fiscal Year 2016, the System should begin increasing its annual transfer to the Capital Projects Fund by \$1 million per year in order to increase the amount of its annual capital improvement requirements funded on a pay-as-you-go basis, resulting in a more balanced distribution of cash versus debt funding for its annual capital costs.
- The completion of the Albert Whitted Water Reclamation Facility Decommissioning and Biosolids to Energy projects results in a 34% savings in wastewater rates over a 20-year projection period to the City's typical residential user.
- The City should continue to update this analysis on an annual basis to evaluate the adequacy of its revenues and plan of annual water, wastewater, and reclaimed water rate increases. Doing so will allow for the incorporation of updated revenue and expense information as well as changes in economic conditions, water consumption, regulatory requirements, and other factors so that any necessary adjustments can be made to the financial management plan presented herein. This will ensure that the System will be able to meet its financial and operating requirements during the projection period and minimize rate impacts to customers from future events occurring differently than currently projected.

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**Projected System Revenues, Expenses and Bond Service Coverage<sup>(1)</sup>**

	Fiscal Years Ended September 30					
	(000's omitted)					
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Gross Revenues	\$123,537	\$129,645	\$134,039	\$138,598		
<u>Less:</u>						
Cost of Operation & Maintenance	(80,934)	(83,289)	(80,789)	(82,648)		
Net Operating Revenue	\$42,603	\$46,356	\$53,250	\$55,950		
Other Revenue Available For Debt Service	2,563	2,729	2,880	3,080		
Net Revenue Available For Debt Service	\$45,166	\$49,085	\$56,130	\$59,030		
Annual Bond Service Requirement on the Bonds	\$22,905	\$26,580	\$28,137	\$29,163		
Bond Service Coverage						
Annual Basis <sup>(2)</sup>	1.97x	1.85x	1.99x	2.02x		
Bond Service Coverage Including Subordinate Debt Service:						
Annual Required Debt Service	\$25,224	\$28,899	\$30,456	\$31,482		
Debt Service Coverage						
Annual Basis	1.79x	1.70x	1.84x	1.88x		

(1) Derived from the "FY 2015 Utility Rate Study – Schedule 7" included in APPENDIX D hereto. Reference is made to the Report and Schedule 7 for the assumptions for the above table and the footnotes to Schedule 7. For actual debt service see "DEBT SERVICE REQUIREMENTS – Aggregate Debt Service."

(2) 1.15x is required by the rate covenant in the Bond Resolution for the Senior Bonds.

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**BOND SERVICE REQUIREMENTS**

<b>Date (Oct. 1)</b>	<b>2014A Bonds</b>			<b>2014B Bonds</b>			<b>2014A Bonds and 2014B Bonds Aggregate Debt Service</b>
	<b>Principal</b>	<b>Interest</b>	<b>Debt Service</b>	<b>Principal</b>	<b>Interest</b>	<b>Debt Service</b>	
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
2029							
2030							
2031							
2032							
2033							
2034							
2035							
2036							
2037							
2038							
2039							
2040							
2041							
2042							
2043							
2044							
<b>Total</b>							

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## DEBT SERVICE REQUIREMENTS

Date (Oct. 1)	2005 Bonds Debt Service	2006 Bonds Debt Service	2009A Bonds Debt Service	2009B Bonds Debt Service	2010A Bonds Debt Service <sup>(1)</sup>	2010B Bonds Debt Service <sup>(1)</sup>	2013A Bonds Debt Service	2013B Bonds Debt Service	2013C Bonds Debt Service	2014 Bonds Debt Service	Aggregate Debt Service <sup>(1)</sup>
2014	\$2,917,006.26	\$2,639,031.26	\$3,144,531.26	\$3,261,000.00	\$2,097,022.50	\$1,299,870.00	\$2,160,238.76	\$1,966,192.50	\$1,025,394.32		
2015	2,915,206.26	2,642,231.26	3,149,231.26	3,263,250.00	2,092,397.50	1,299,870.00	2,182,838.76	1,959,042.50	1,160,823.76		
2016	--	2,639,631.26	3,145,031.26	3,259,000.00	2,091,185.00	1,299,870.00	2,183,638.76	1,961,742.50	1,160,823.76		
2017	--	2,641,431.26	3,145,031.26	3,263,250.00	2,078,185.00	1,299,870.00	2,183,438.76	1,963,992.50	1,160,823.76		
2018	--	2,642,431.26	3,144,031.26	3,260,250.00	2,078,185.00	1,299,870.00	2,187,238.76	1,965,792.50	1,160,823.76		
2019	--	6,107,631.26	2,987,031.26	--	2,086,170.00	1,299,870.00	2,184,838.76	1,902,142.50	1,660,823.76		
2020	--	6,108,431.26	2,990,231.26	--	2,078,130.00	1,299,870.00	2,186,438.76	1,904,992.50	1,660,823.76		
2021	--	6,107,831.26	2,992,431.26	--	2,072,430.00	1,299,870.00	2,186,838.76	1,902,392.50	1,659,573.76		
2022	--	6,110,631.26	2,997,143.76	--	2,061,040.00	1,299,870.00	2,186,038.76	1,899,492.50	1,662,073.76		
2023	--	6,106,631.26	2,999,800.00	--	2,054,190.00	1,299,870.00	2,187,038.76	1,901,292.50	1,658,073.76		
2024	--	6,110,131.26	3,005,325.00	--	2,031,650.00	1,299,870.00	2,184,038.76	1,899,917.50	1,657,823.76		
2025	--	6,108,956.26	3,004,275.00	--	2,024,110.00	1,299,870.00	2,184,838.76	1,902,130.00	1,661,073.76		
2026	--	6,109,300.00	3,010,975.00	--	2,015,880.00	1,299,870.00	2,184,238.76	1,902,730.00	1,662,573.76		
2027	--	6,109,800.00	3,014,875.00	--	1,994,680.00	1,299,870.00	2,186,488.76	1,902,880.00	1,662,323.76		
2028	--	6,108,025.00	3,016,875.00	--	1,982,880.00	1,299,870.00	2,187,838.76	1,901,305.00	1,660,323.76		
2029	--	--	2,834,875.00	--	1,999,880.00	1,299,870.00	2,187,057.50	8,164,242.50	1,662,386.26		
2030	--	--	2,839,875.00	--	1,983,880.00	1,299,870.00	2,183,562.50	8,162,042.50	1,657,961.26		
2031	--	--	2,847,875.00	--	1,966,680.00	1,299,870.00	2,183,032.50	8,164,042.50	1,661,211.26		
2032	--	--	2,858,625.00	--	1,941,680.00	1,299,870.00	2,185,232.50	8,161,442.50	1,657,711.26		
2033	--	--	2,831,875.00	--	1,945,742.50	1,299,870.00	2,186,032.50	8,164,917.50	1,661,536.26		
2034	--	--	2,849,375.00	--	1,916,992.50	1,299,870.00	2,183,982.50	--	1,468,336.26		
2035	--	--	2,863,875.00	--	1,887,305.00	1,299,870.00	2,184,582.50	--	1,476,886.26		
2036	--	--	9,960,375.00	--	6,111,680.00	1,299,870.00	2,182,895.00	--	1,482,342.50		
2037	--	--	9,974,625.00	--	5,986,680.00	1,299,870.00	2,184,520.00	--	1,490,717.50		
2038	--	--	9,970,200.00	--	5,874,200.00	1,299,870.00	2,183,600.00	--	1,660,592.50		
2039	--	--	9,977,700.00	--	1,872,640.00	5,169,870.00	2,183,000.00	--	1,660,255.00		
2040	--	--	--	--	--	16,869,450.00	2,185,200.00	--	1,660,355.00		
2041	--	--	--	--	--	--	8,120,000.00	--	1,457,980.00		
2042	--	--	--	--	--	--	8,320,000.00	--	1,276,000.00		
2043	--	--	--	--	--	--	--	--	5,230,000.00		
<b>Total</b>	<b>\$5,832,212.52</b>	<b>\$74,292,125.12</b>	<b>\$105,556,093.84</b>	<b>\$16,306,750.00</b>	<b>\$64,325,495.00</b>	<b>\$54,536,070.00</b>	<b>\$75,408,728.90</b>	<b>\$69,652,725.00</b>	<b>\$49,438,448.28</b>		

(1) Not net of anticipated Direct Subsidy Payments.

**ESTIMATED SOURCES AND USES OF FUNDS**

The proceeds to be received from the sale of the 2014 Bonds are expected to be applied substantially as follows:

**SOURCES**

	<u>2014A Bonds</u>	<u>2014B Bonds</u>	<u>Total</u>
Principal Amount of 2014 Bonds			
Original Issue Premium			
Other Legally Available Funds			
Total Sources			

**USES**

Deposit to the 2014A Construction and Acquisition Fund			
Deposit to Escrow Fund			
Deposit to Reserve Account			
Cost of Issuance <sup>(1)</sup>			
Total Uses			

(1) Includes the fees and expenses of Bond Counsel, Special Disclosure Counsel, Financial Advisor, Original Purchasers' Discount, printing, ratings, and other associated costs of issuance.

**FLOW OF FUNDS**

**Operating Fund**

The Bond Resolution requires that the entire Gross Revenues derived from the operation of the System shall upon receipt thereof be deposited in the Operating Fund. All Gross Revenues at any time remaining on deposit in the Operating Fund shall be disposed of on or before the 25th day of each month, only in the following manner and in the following order of priority:

1. Cost of Operation and Maintenance. Gross Revenues shall first be used to pay the Cost of Operation and Maintenance.
  
2. Debt Service Fund. Money remaining in the Operating Fund shall next be deposited into the Debt Service Fund, which fund and which accounts were created and established in the Bond Resolution on a parity with each other:
  - (a) Interest Account. Such sum as will be sufficient to pay one-sixth (1/6) of all interest becoming due on the Bonds on the next semiannual Interest Payment Date, together with any payments required to be made under Qualified Agreements (except as provided in the Bond Resolution); provided, however, if the period to elapse between Interest Payment Dates will be other than six months, the monthly deposits to the Interest Account will be adjusted as appropriate.

(b) Principal Account. Such sum as will be sufficient to pay one-sixth (1/6) of all principal maturing semiannually on the Serial Bonds on the next maturity date and one-twelfth (1/12) of all principal maturing annually on the Serial Bonds on the next maturity date; provided, however, that if the period between delivery of any Bonds and the first principal maturity date or the period between the principal maturity dates will be other than 6 or 12 months the monthly deposits to pay principal shall be adjusted appropriately.

(c) Bond Amortization Account. If and to the extent required, a sum equal to one-twelfth (1/12) of the amount of any annual Amortization Installment for Term Bonds which shall become due and payable during the next succeeding Bond Year; provided, however, that such deposits shall be subject to adjustment, as appropriate, if the period between Amortization Installments is less than 12 months.

(d) Reserve Account. Money remaining in the Operating Fund shall next be applied to maintain in the Reserve Account in the Debt Service Fund a sum equal to the Reserve Account Requirement for the Bonds. See "SECURITY FOR THE BONDS – Reserve Account." Also, see "PROPOSED SPRINGING AMENDMENTS TO THE BOND RESOLUTION" for a description of springing amendments to the Bond Resolution including the ability of the City to create separate subaccounts in the Reserve Account to secure any series of Bonds issued in the future and the amendment to the definition of "Reserve Account Requirement" allowing for it to be set at \$0 as applicable to any such subaccounts if deemed advantageous to be determined upon issuance of such series.

3. Operating Reserve Fund. The City shall next deposit into the Operating Reserve Fund such amount as shall be determined by annual budget of the City or as otherwise determined by the City. At any time and from time to time, the City may transfer for deposit into the Operating Reserve Fund to be applied solely for the payment of Cost of Operation and Maintenance. All investment earnings thereon, except as set forth below, shall only be used for the purpose of purchasing water for use by the System. Except as provided in the Bond Resolution, moneys in the Operating Reserve Fund, including investment earnings thereon, may only be used for the purpose of acquiring, constructing and erecting additional facilities for the production of water and the transmission thereof to the water distribution system of the City. In no event shall moneys in the Operating Reserve Fund be used for the payment of principal of and interest on the Bonds.

4. Subordinated Debt Service Fund. The City shall next deposit such amount as is required to be paid as provided in the resolution or ordinance authorizing Subordinated Debt for principal, interest, mandatory redemption payments, if any, and debt service reserve payments, if any, on Subordinated Debt, but for no other purposes. Payments by the City under Qualified Agreements which represent termination payments thereunder shall constitute Subordinated Debt.

5. Improvement Fund. Monthly, the City shall next deposit into the Improvement Fund an amount equal to one-twelfth (1/12) of ten percent (10%) of the average of the Adjusted Net Revenues during the three immediately preceding Fiscal Years. Notwithstanding the foregoing, whenever the unappropriated balance in the Improvement Fund is equal to or greater than five

percent (5%) of the average of the Adjusted Net Revenues during the three immediately preceding Fiscal Years, no further deposits shall be required to be made to such Improvement Fund. For purposes of this determination, investments in the Improvement Fund shall be valued at fair value. Money on deposit in the Improvement Fund shall be used to supplement the Debt Service Fund, if necessary, in order to prevent a default in the payment of the principal of and interest on the Bonds. If not used or needed for such purpose, the money in the Improvement Fund shall next be used only for the purpose of paying the cost of extensions, enlargements or additions to, or the replacement of capital assets of, the System, and repairs thereto, or for the purchase or redemption of Bonds. The money on deposit in the Improvement Fund shall be withdrawn only upon the authorization of the Mayor or his designee. Notwithstanding the foregoing, any excess money in the Improvement Fund shall be deposited in the Operating Fund.

Any money remaining in the Operating Fund, after the above required payments have been made, may be transferred to the City as payments in lieu of taxes. Such transfers in any Fiscal Year shall not exceed fifteen percent (15%) of Gross Revenues of the System received by the City in such Fiscal Year.

The balance of any money remaining in the Operating Fund, after the above required payments have been made, may be used for any lawful purpose relating to the System (including payment of non-direct administrative expenses of the System).

The Operating Fund, the Debt Service Fund (including the Reserve Account and the Bond Amortization Account therein), the Improvement Fund, the Operating Reserve Fund and any other special funds established and created by the Bond Resolution shall constitute trust funds for the purpose provided therein for such funds. Notwithstanding the foregoing or any provision of the Bond Resolution to the contrary, moneys in the Operating Reserve Fund may not be used for the payment of the debt service on the Bonds. The moneys in all such funds shall be continuously secured in the same manner as municipal deposits are authorized to be secured by the laws of the State of Florida and the Code of Ordinances of the City.

Also, see "PROPOSED SPRINGING AMENDMENTS TO THE BOND RESOLUTION" for a description of springing amendments to the Bond Resolution including the ability of the City to create separate subaccounts in the Reserve Account to secure any series of Bonds issued in the future and the amendment to the definition of "Reserve Account Requirement" allowing for it to be set at \$0 as applicable to any such subaccounts if deemed advantageous to be determined upon issuance of such series.

### **Investment of Moneys**

Money on deposit in the Operating Fund, the Debt Service Fund (including the Reserve Account and the Bond Amortization Account therein), and the Improvement Fund may be invested and reinvested in Investment Securities which mature not later than the dates on which the money on deposit therein will be needed for the purpose of such funds. All income on such investments shall remain in the respective fund or account, except to the extent the Reserve Account Requirement shall be on deposit in the Reserve Account, investment earnings thereon shall be transferred to the Interest Account in the Debt Service Fund.

## **COVENANTS**

### **Operation and Maintenance**

The City will maintain the System and all parts thereof in good condition and will operate the same in an efficient and economical manner, making such expenditures for equipment and for renewals, repairs and replacements as may be proper for the economical operation and maintenance thereof.

### **Rate Covenant**

The City has enacted a rate ordinance, and the City covenants to fix, establish, revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals and other charges for the use of the products, services and facilities of the System which will always provide Adjusted Net Revenues in each year of not less than one hundred fifteen percent (115%) of all Bond Service Requirements becoming due in such year on the outstanding Bonds and on all outstanding Additional Parity Obligations. Such rates, fees, rentals or other charges shall not be reduced so as to be insufficient to provide Revenues for such purposes.

### **Books and Accounts; Audits**

The City shall keep proper books, records and accounts separate and apart from all other records and accounts, showing correct and complete entries of all transactions of the System. The Registered Owners of any of the Bonds or any duly authorized agent or agents of such Registered Owners shall have the right at any and all reasonable times to inspect such books, records and accounts. The City shall, in compliance with the provisions of the laws of the State but not less than once a year, cause the books, records and accounts relating to the collection of the Gross Revenues to be properly audited by a firm of independent certified public accountants licensed in the State of Florida, in accordance with generally accepted accounting principles. Such audit report may be a part of the City's Comprehensive Annual Financial Report.

### **No Mortgage or Sale of System**

The City shall not sell, mortgage, lease or otherwise dispose of or encumber the properties of the System; provided, however, that the City from time to time (i) may sell, lease or otherwise dispose of all the properties comprising the System if simultaneously with such sale or other disposition thereof, provision is made for the payment of cash and/or Federal Securities into the Debt Service Fund, the principal of and interest on which is sufficient to pay the principal of, applicable redemption premium and interest on all Bonds then outstanding in full in accordance with the requirements of the Bond Resolution and any supplemental resolution; (ii) may sell, lease or otherwise dispose of any portion of the properties of the System which shall have become unserviceable, inadequate, obsolete, worn-out, or unfit to be used in the operation of the System or no longer necessary, material to, useful or profitable in such operation; and (iii) may sell, lease or otherwise dispose of any part of the System provided that prior to such sale, lease or disposition: (a) a Qualified Independent Consultant shall make a finding in writing, adopted and confirmed by resolution of the City, determining that such sale, lease, exchange or other disposition will not materially restrict the City's ability to realize Adjusted Net Revenues in compliance with the requirements therefore as set forth in the Bond Resolution, and (b) the City shall declare by resolution that such sale, lease, exchange or other disposition will not materially restrict the City's ability to realize Adjusted Net Revenues in compliance with the requirements therefore as set forth in the Bond Resolution. Each right reserved to the City by the exceptions contained in clauses (i), (ii) and (iii) of the preceding sentence shall not be exclusive of each other right so reserved, but shall be cumulative and shall be in

addition to each other right so reserved, and each such right may be exercised without exhausting and without regard to each other right so reserved.

### **Insurance**

The City shall carry insurance on the properties comprising the System of the kinds, against such risks, accidents or casualties, and in at least the amounts which are usually and customarily carried upon similar properties, including, without limiting the generality of the foregoing, fire, extended coverage and general liability, and also all additional insurance covering such risks as shall be deemed necessary or desirable by the City; provided, however, that in lieu of carrying such insurance, the City may self-insure to the extent customary with utilities operating like properties or to the extent that the City determines by resolution based upon a recommendation of the Insurance Consultant that it is in the best economic interest of the System for the City to self insure. In the event of any loss or damage to the properties of the System covered by insurance, the City shall with respect to such loss, promptly repair and reconstruct to the extent necessary for the proper conduct of the operations of the System, the lost or damaged portion thereof, and shall apply the proceeds of any insurance policy or policies covering such loss or damage for that purpose to the extent required therefor, unless such repair and reconstruction is not necessary for the efficient operation of the System.

### **No Free Service**

So long as any Bonds are outstanding, the City shall not furnish or supply the facilities, services and commodities of the System free of charge to any person, firm or corporation, public or private. To the full extent permitted or authorized by law, the City shall promptly enforce the payment of any and all accounts owing to the City and delinquent, by discontinuing service or by filing suits, actions or proceedings, or by both discontinuance of service and filing suit. Notwithstanding the foregoing, the City shall not be required to impose any fees or charges for the use of water for fire control.

### **Enforcement of Collections**

The City will diligently enforce and collect the rates, fees and other charges for the services and facilities of the System pledged in the Bond Resolution; will take all steps, actions and proceedings for the enforcement and collection of such rates, charges and fees as shall become delinquent to the full extent permitted or authorized by law; and will maintain accurate records with respect thereof. All such fees, rates, charges and revenues pledged by the Bond Resolution shall, as collected, be held in trust to be applied as provided therein.

## **ADDITIONAL PARITY OBLIGATIONS**

The 2014 Bonds are "Additional Parity Obligations" under the Bond Resolution. The Bond Resolution states that no Additional Parity Obligations, payable on a parity from the Net Revenues with the 2014 Bonds, the 2013A Bonds, the 2013B Bonds, the 2013C Bonds, the 2010A Bonds, the 2010B Bonds, the 2009A Bonds, the 2009B Bonds, the 2006 Bonds and the Unrefunded 2005 Bonds shall be issued except upon the conditions and in the manner specified in the Bond Resolution. The Finance Director shall certify that at the time of the issuance of the Additional Parity Obligations: (i) the City is not in default of any of the provisions, covenants and agreements of the Bond Resolution and (ii) the Adjusted Net Revenues during any twelve of the past twenty-four months preceding the date on which the Additional Parity Obligations are to be issued shall have been equal to not less than 1.15 times the Maximum Bond Service Requirement on all outstanding Bonds plus the Additional Parity Obligations proposed to be issued, during any Fiscal Year in which Additional Parity Obligations proposed to be issued will be outstanding. If any changes have been made and are in effect at the time of the issuance of

the Additional Parity Obligations in the rates and charges for the services, facilities and commodities of the System which were not in effect during all or any part of the twenty-four months next preceding the Fiscal Year in which the Additional Parity Obligations are to be issued, the Adjusted Net Revenues for such period shall be further adjusted by the Finance Director to reflect any changes which would have occurred in the Adjusted Net Revenues if the changes in the rates and charges had been in effect during all of the period. If any improvements have been made to the System which were not in service during all or any part of the twenty-four months next preceding the Fiscal Year in which the Additional Parity Obligations are to be issued, the Adjusted Net Revenues shall be further adjusted by the Finance Director to reflect any changes in the Adjusted Net Revenues as if such improvements had been in service during all of such period. If the City has acquired by purchase, annexation, condemnation or otherwise facilities which have become a part of the System during all or any part of the twenty-four months next preceding the Fiscal year in which the Additional Parity Obligations are to be issued, the Adjusted Net Revenues shall be further adjusted by the Finance Director to reflect any changes in the Adjusted Net Revenues as if such facilities had been a part of the System during all of such period. If the purpose for which the Additional Parity Obligations are to be issued is to acquire by purchase, annexation, condemnation or otherwise facilities which will become a part of the System and/or to expand service to such facilities and customers, the Adjusted Net Revenues shall be further adjusted by the Finance Director to reflect any changes in the Adjusted Net Revenues as if such facilities had been a part of the System during all of the twenty-four months next preceding the Fiscal Year in which the Additional Parity Obligations are to be issued. If the purpose for which the Additional Parity Obligations are to be issued is to acquire or construct additions, extensions or improvements to the System for the provision of the services, facilities and commodities thereof to a person for the furnishing by such person of such services, facilities and commodities to its inhabitants, pursuant to an agreement between the City and such person, the Adjusted Net Revenues for the twenty-four months next preceding the Fiscal Year in which the Additional Parity Obligations are to be issued shall be further adjusted by the Finance Director by adding the average of the amount of the increase in the Adjusted Net Revenues estimated to be derived pursuant to such agreement during each of the three Fiscal Years next succeeding the date upon which the additions, improvements and extensions are anticipated to be ready for use.

The City need not comply with the provisions set forth above if and to the extent the Bonds to be issued are refunding bonds, that is, delivered in lieu of or in substitution for, or to provide for the payment of one or more Series of Bonds or portions thereof, provided that the Maximum Bond Service Requirement on the refunding bonds shall not exceed the Maximum Bond Service Requirement on the Bonds being refunded.

#### **AMENDMENT OF BOND RESOLUTION**

The City, from time to time and at any time without the consent or concurrence of any Registered Owner of any Bond, may adopt a resolution amendatory to the Bond Resolution or supplemental thereto, if the provisions of such supplemental resolution shall not adversely affect the rights of the Registered Owners of the Bonds then outstanding, for among other purposes, to provide such changes which, in the opinion of the City, based upon such certificates and opinions of the independent certified public accountants, Bond Counsel, financial advisors or other appropriate advisors as the City may deem necessary or appropriate, if the provisions of such supplemental resolution shall not adversely affect the rights of the Registered Owners. For the specific purposes for an amended or supplemental resolution, see "Composite of the Bond Resolution – Amending and Supplementing of Bond Resolution Without Consent of Registered Owners" in APPENDIX E hereto.

Except as set forth in the preceding paragraph, no material modification or amendment of the Bond Resolution may be made without the consent in writing of the Registered Owners of fifty-one percent or more in principal of Bonds of each series so affected and then outstanding. For the specifics

for such modification or amendment, see "Composite of the Bond Resolution – Amendment of Bond Resolution With Consent of Registered Owners" in APPENDIX E hereto. For purposes of amendment of the Bond Resolution with the consent of any Registered Owner of any Bond, to the extent any Bonds are secured by a Credit Facility and such Bonds are then rated in one of the two highest Rating Categories (without regard to gradation) by any Rating Agency, then the consent of the Credit Facility Issuer shall be deemed to constitute the consent of the Registered Owner of such Bonds and in such case no consent of the Registered Owners of such Bonds shall be required; provided, however, a copy of such amendments shall be provided to such rating agencies not less than thirty (30) days prior to the effective date thereof.

### **PROPOSED SPRINGING AMENDMENTS TO THE BOND RESOLUTION**

The City desires to implement springing amendments which modify certain provisions of the Bond Resolution in the future. Specifically, the Bond Resolution contains various amendments which will only become effective upon receipt of consent of not less than 51% of the owners of the outstanding Bonds and to the extent required, the consent of National which currently has outstanding its municipal bond insurance policy (insuring the Unrefunded 2005 Bonds and the 2006 Bonds) and its 2005 Reserve Policy on deposit in the Reserve Account, and the consent of Assured which currently has outstanding its 2003 Reserve Policy on deposit in the Reserve Account. Purchasers of the 2014 Bonds, by acceptance of the 2014 Bonds, will be deemed to have expressly and irrevocably consented to these amendments in writing. To date, the City has not solicited any consents to such amendments from National or Assured or any Bondholders other than the holders of the 2013C Bonds and purchasers of the 2014 Bonds, and currently has no intention of soliciting such consents. Whether such amendments become effective while the 2014 Bonds remain outstanding is dependent upon the amount of Bonds that may be issued by the City in the future, the timing of such issuances, and whether or not the City decides to seek consents to such amendments from National and Assured, and/or until the Unrefunded 2005 Bonds and/or the 2006 Bonds insured by National are no longer outstanding, the 2003 Reserve Policy issued by Assured is no longer outstanding and on deposit in the Reserve Account and/or the 2005 Reserve Policy issued by National is no longer outstanding and on deposit in the Reserve Account. The holders of the 2014 Bonds will not be notified as to when such amendments will have become effective, and should assume that they will become effective while the 2014 Bonds remain outstanding. Such amendments are generally described below:

1. The Bond Resolution shall be amended to provide the City with the ability to establish separate subaccounts in the Reserve Account.

2. The definition of "Reserve Account Requirement" shall be amended to read as follows: "Reserve Account Requirement shall be the lesser of (i) the Maximum Bond Service Requirement with respect to Bonds secured by the Reserve Account and/or any subaccount created therein; (ii) 125% of the average annual Bond Service Requirement with respect to Bonds secured by the Reserve Account and/or any subaccount created therein; or (iii) the maximum amount as shall not adversely affect the exclusion of interest on the Bonds from the gross income of the holders thereof for purposes of Federal income taxation with respect to Bonds secured by the Reserve Account and/or any subaccount created therein; provided, however, the Issuer may establish by supplemental resolution a different Reserve Account Requirement for a subaccount of the Reserve Account which secures a series of Bonds pursuant to the Bond Resolution."

### **FUTURE FINANCINGS**

The City currently anticipates issuing Additional Parity Obligations and/or Subordinate Debt in one or more series over the next five Fiscal Years in the approximate principal amount of \$172,000,000, which includes the 2014 Bonds.

## **INVESTMENT POLICY**

The City's investments are presently under the day to day control of the City's Director of Finance. The City Council has established a formal investment policy governing the investment activity of the City and including all available funds in excess of the amounts needed to meet short-term expenses. The investment policy does not apply to pension funds, trust funds or funds related to the issuance of debt where there are other existing policies, bond resolutions or indentures in effect. The investment policy does not permit leveraging of investments.

## **SWAP MANAGEMENT POLICY**

The City has not entered into any interest rate swaps or other derivative transactions. The City does not plan to utilize interest rate swaps or enter into derivative transactions.

## **FINANCIAL STATEMENTS**

The general purpose financial statements of the City for the Fiscal Year ended September 30, 2013, included in APPENDIX B to this Official Statement, have been audited by Mayer Hoffman McCann P.C., Clearwater, Florida, Independent Certified Public Accountants, whose report thereon also appears in APPENDIX B. Such financial statements, including the auditor's report, have been included in this Official Statement as public documents and Mayer Hoffman McCann P.C. has not performed any procedures subsequent to the date of its report. The auditors have not performed any services related to, and therefore are not associated with, the preparation of this Official Statement.

## **PENSION PLANS AND OTHER POST EMPLOYMENT BENEFITS**

The City maintains three separate single employer defined benefit retirement systems (General Employees, Police and Fire) covering full-time City employees. For the fiscal year ended September 30, 2013, the City contributed \$13,281,580, \$11,572,897 and \$9,981,193 to the General Employees, Police and Fire retirement systems, respectively.

See Note 18 to the City's General Purpose Financial Statements set forth in Appendix B hereto for more information on the City's pension plans and how to obtain additional information on the City's plans.

Further, the City provides a medical benefits plan that it makes available to its retirees. See Note 19 to the City's General Purpose Financial Statements set forth in Appendix B hereto for more information regarding this "post retirement health benefits" plan and the City's actuarial accrued liability thereunder.

## **TAX EXEMPTION**

### **General**

The Internal Revenue Code of 1986, as amended (the "Code") establishes certain requirements which must be met subsequent to the issuance of the 2014 Bonds in order that interest on the 2014 Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the 2014 Bonds to be included in federal gross income retroactive to the date of issuance of the 2014 Bonds, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the 2014 Bonds and the other amounts are to be invested and

require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The City has covenanted in the Bond Resolution with respect to the 2014 Bonds to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the 2014 Bonds.

In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, interest on the 2014 Bonds is excluded from gross income for purposes of federal income taxation. Interest on the 2014 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or corporations; however, interest on the 2014 Bonds may be subject to the federal alternative minimum tax when any 2014 Bond is held by a corporation. The federal alternative minimum taxable income of a corporation must be increased by seventy-five percent (75%) of the excess of such corporation's adjusted current earnings over its alternative minimum taxable income (before this adjustment and the alternative tax net operating loss deduction). "Adjusted Current Earnings" will include interest on the 2014 Bonds.

Except as described above, Bond Counsel will express no opinion regarding other federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of 2014 Bonds. Prospective purchasers of 2014 Bonds should be aware that the ownership of 2014 Bonds may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry 2014 Bonds; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including interest on 2014 Bonds; (iii) the inclusion of interest on 2014 Bonds in earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of interest on 2014 Bonds in passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion of interest on 2014 Bonds in "modified adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the City, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the 2014 Bonds and of the property financed or refinanced thereby), without undertaking to verify the same by independent investigation.

**PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE 2014 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.**

### **Information Reporting and Backup Withholding**

Interest paid on tax-exempt bonds such as the 2014 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the 2014 Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of 2014 Bonds, under certain circumstances, to "backup withholding" at (i) the fourth lowest rate of tax applicable under Section 1(c) of the Code (i.e., a rate applicable to unmarried individuals) for taxable years beginning on or before December 31, 2012; and (ii)

the rate of 31% for taxable years beginning after December 31, 2012, with respect to payments on the 2014 Bonds and proceeds from the sale of 2014 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of 2014 Bonds. This withholding generally applies if the owner of 2014 Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the 2014 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

### **Other Tax Matters**

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the 2014 Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the 2014 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the 2014 Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the 2014 Bonds. For example, in connection with federal deficit reduction, job creation and tax law reform efforts, proposals have been and others are likely to be made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the 2014 Bonds. There can be no assurance that any such legislation or proposal will be enacted, and if enacted, what form it may take. The introduction or enactment of any such legislative proposals may affect, perhaps significantly, the market price for, or marketability of, the 2014 Bonds.

Prospective purchasers of the 2014 Bonds should consult their own tax advisors as to the tax consequences of owning the 2014 Bonds in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

### **Tax Treatment of Original Issue Discount**

Under the Code, the difference between the maturity amount of the 2014A Bonds maturing on October 1, 20\_\_ through October 1, 20\_\_, inclusive (collectively, the "2014A Discount Bonds") and the 2014B Bonds maturing on October 1, 20\_\_ through October 1, 20\_\_, inclusive (collectively, the "2014B Discount Bonds" and with the 2014A Discount Bonds, the "Discount Bonds"), and the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity and, if applicable, interest rate, was sold is "original issue discount." Original issue discount will accrue over the term of the Discount Bonds at a constant interest rate compounded periodically. A purchaser who acquires the Discount Bonds in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he or she holds the Discount Bonds, and will increase his or her adjusted basis in the Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or disposition of the Discount Bonds. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Discount Bonds which are not purchased in the

initial offering at the initial offering price may be determined according to rules which differ from those above. Bondholders of the Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of the Discount Bonds and with respect to the state and local tax consequences of owning and disposing of the Discount Bonds.

### **Tax Treatment of Bond Premium**

The difference between the principal amount of the 2014A Bonds maturing on October 1, 20\_\_ through October 1, 20\_\_, inclusive (collectively, the "2014A Premium Bonds") and the 2014B Bonds maturing on October 1, 20\_\_ through October 1, 20\_\_, inclusive (collectively, the "2014B Premium Bonds" and with the 2014A Premium Bonds, the "Premium Bonds"), and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Premium Bonds of the same maturity and, if applicable, interest rate, was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each of the Premium Bonds, which ends on the earlier of the maturity or call date for each of the Premium Bonds which minimizes the yield on such Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. Bondholders of the Premium Bonds are advised that they should consult with their own tax advisors with respect to the state and local tax consequences of owning such Premium Bonds.

### **RATINGS**

Moody's Investors Service, Inc. ("Moody's") and Fitch Ratings ("Fitch") have assigned their municipal bond ratings of "\_\_" and "\_\_," respectively, to the 2014 Bonds. An explanation of the significance of the ratings may be obtained only from Moody's and Fitch. There is no assurance that the ratings will be in effect for any given period of time or that they will not be revised downward, suspended or withdrawn entirely by either Moody's and/or Fitch, if in their, or its judgment, circumstances so warrant. Any such downward revision, suspension or withdrawal of the ratings given the 2014 Bonds may have an adverse effect on the liquidity or market price of the 2014 Bonds.

### **LITIGATION**

In the opinion of the City Attorney or his designee, there is no litigation now pending or threatened (i) to restrain or enjoin the issuance or sale of the 2014 Bonds or (ii) questioning or affecting the validity of the 2014 Bonds, the Bond Resolution or the pledge of the Net Revenues of the System by the City or the proceedings for the authorization, sale, execution or delivery of the 2014 Bonds.

The City is involved in certain litigation and disputes incidental to its operations. Upon the basis of information presently available, the City Attorney or his designee believes that there are substantial defenses to such litigation and disputes and that, in any event, any ultimate liability, in excess of available self insurance revenues, resulting therefrom will not materially adversely affect the financial position or results of operations of the City.

## **ENFORCEABILITY OF REMEDIES**

The remedies available to the Registered Owners of the 2014 Bonds upon an event of default under the Bond Resolution, the 2003 Reserve Policy and the 2005 Reserve Policy are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title II of the United States Code, the remedies specified by the federal bankruptcy code, the Bond Resolution, the 2003 Reserve Policy, the 2005 Reserve Policy and the 2014 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2014 Bonds (including Bond Counsel's approving opinion) will be qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery.

## **CERTAIN LEGAL MATTERS**

Certain legal matters in connection with the issuance of the 2014 Bonds are subject to the approval of Bryant Miller Olive P.A., Tampa, Florida, Bond Counsel, whose approving opinion will be available at the time of delivery of the 2014 Bonds and will be printed on such 2014 Bonds. The proposed form of Bond Counsel opinion is attached hereto as APPENDIX F and reference is made to such form of opinion for the complete text thereof. Certain legal matters will be passed upon for the City by John C. Wolfe, Esq., City Attorney, or his designee, and GrayRobinson, P.A., Tampa, Florida, Special Disclosure Counsel.

Bond Counsel has not been engaged to, nor has it undertaken to, review (1) the accuracy, completeness or sufficiency of this Official Statement or any other offering material relating to the 2014 Bonds; provided, however, that Bond Counsel will render an opinion to the Original Purchasers of the 2014 Bonds relating to the accuracy of certain statements contained herein and under the heading "TAX EXEMPTION" and certain statements which summarize provisions of the Bond Resolution and the 2014 Bonds, or (2) the compliance with any federal or state securities law with regard to the sale or distribution of the 2014 Bonds.

## **VERIFICATION OF ARITHMETICAL COMPUTATIONS**

The accuracy of the arithmetical computations of (a) the adequacy of the maturing principal amounts and interest earnings thereon of the Refunding Securities deposited under the Escrow Agreement to pay when due all principal of an interest on the Refunded 2005 Bonds and (b) the "yield" on the 2014 Bonds and on the Refunding Securities considered by Bond Counsel in connection with their opinion that the 2014 Bonds are not "arbitrage" bonds within the meaning of Section 148 of the Code will be verified for the City by \_\_\_\_\_ Such verification will be based on certain information supplied to \_\_\_\_\_ by the City's Financial Advisor, Public Financial Management, Inc.

## **DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS**

Rule 3E-400.003, rules of Government Securities, promulgated by the Florida Department of Banking and Finance, division of Securities, under Section 517.051, Florida Statutes ("Rule 3E-400.003") requires that the City make a full and fair disclosure of any bonds or other debt obligations that it has issued or guaranteed and that are or have been in default as to principal or interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served only as a conduit issuer such as industrial development or private activity bonds issued on behalf of private businesses). Rule 3E-400.003 further provides that if the City in good faith believes that such disclosures would not be considered material by a reasonable investor, such disclosures may be omitted. The City is not, and has

not since December 31, 1975, been in default as to principal and interest on bonds or other debt obligations for which ad valorem or non-ad valorem revenues of the City are pledged. Pursuant to Rule 3E-400.003, no investigation of possible defaults by conduit issuers of bonds was made by the City because such information is not considered to be material to a reasonable investor of 2014 Bonds as the City is not obligated to pay principal and/or interest on such bonds.

### **ORIGINAL PURCHASER(S)**

The 2014A Bonds are being purchased by \_\_\_\_\_ (the "2014A Bonds Original Purchaser") and the 2014B Bonds are being purchased by \_\_\_\_\_ (the "2014B Bonds Original Purchaser"). The 2014A Bonds Original Purchaser has agreed to purchase the 2014A Bonds at an aggregate purchase price of \$\_\_\_\_\_ (which includes 2014A Bonds Original Purchaser's underwriting discount of \$\_\_\_\_\_ plus a net original issue premium of \$\_\_\_\_\_). The 2014B Bonds Original Purchaser has agreed to purchase the 2014B Bonds at an aggregate purchase price of \$\_\_\_\_\_ (which includes 2014B Bonds Original Purchaser's underwriting discount of \$\_\_\_\_\_ plus a net original issue premium of \$\_\_\_\_\_).

### **ADVISORS AND CONSULTANTS**

The City has retained certain advisors and consultants in connection with the issuance of the 2014 Bonds. These advisors and consultants may be compensated from a portion of the proceeds of the 2014 Bonds, identified as "Costs of Issuance" under the heading "ESTIMATED SOURCES AND USES OF FUNDS" herein; and their compensation is, in some instances, contingent upon the issuance of the 2014 Bonds and the receipt of the proceeds thereof.

*Financial Advisor.* The City has retained Public Financial Management, Inc., Orlando, Florida, as Financial Advisor in connection with the authorization and issuance of the 2014 Bonds. While the Financial Advisor has participated in the preparation of portions of this Official Statement, it has not been engaged and is not obligated to undertake, and has not undertaken to make, an independent verification of the accuracy, completeness, or fairness of the information contained in this Official Statement.

*Bond Counsel.* Bryant Miller Olive P.A., Tampa, Florida, represents the City as Bond Counsel with respect to the issuance of the 2014 Bonds.

*Special Disclosure Counsel.* GrayRobinson, P.A., Tampa, Florida, represents the City as Special Disclosure Counsel with respect to the issuance of the 2014 Bonds. As Special Disclosure Counsel, GrayRobinson, P.A. is not obligated to undertake, and has not undertaken to make, an independent verification of the accuracy, completeness, or fairness of the information contained in the Official Statement.

### **CONTINUING DISCLOSURE**

The City has covenanted for the benefit of bondholders to provide certain financial information and operating data relating to the System and the 2014 Bonds in each year (the "Annual Report"), and to provide notices of the occurrence of certain enumerated material events. Such covenant shall only apply so long as the 2014 Bonds remain outstanding under the Bond Resolution. The covenant shall also cease upon the termination of the continuing disclosure requirements of Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule") by legislative, judicial or administrative action. The Annual Report will be filed by the City as required with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System ("EMMA").

The City recently retained Digital Assurance Certification, L.L.C. ("DAC") as its dissemination agent. The specific nature of the information to be contained in the Annual Report and the notices of material events are described in APPENDIX G – "Form of Disclosure Dissemination Agent Agreement," which shall be executed by the City and DAC at the time of issuance of the 2014 Bonds. These covenants have been made in order to assist the Original Purchaser(s) in complying with the Rule.

With respect to the 2014 Bonds, no party other than the City is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the Rule. The City has not failed to comply in all material respects with its continuing disclosure undertakings pursuant to the Rule during the last five (5) years. However, a review of filings made pursuant to prior undertakings indicated that certain filings did not include all the operating information specifically required. Upon realizing the failure to comply, the City reported such circumstances in accordance with the requirements of the Rule, and as of December 3, 2012 had cured such failure. In the years 2009, 2010, 2011, 2012, 2013 and 2014, the City was not notified by National Public Finance Guarantee Corp. (formerly MBIA Insurance Corporation) nor the municipal rating agencies of rating downgrades/upgrades with respect to the City's outstanding Public Utility Refunding Revenue Bonds, Series 2006 and Public Utility Revenue Bonds, Series 2005 by Moody's and S&P and accordingly failed to file notices thereof. In the years 2009, 2010, 2011, 2013 and 2014, the City was also not notified by Assured Guaranty Municipal Corp. (formerly FSA) nor the municipal rating agencies of rating downgrades/upgrades with respect to the City's outstanding Professional Sports Facility Sales Tax Refunding Revenue Bonds, Series 2003 by Fitch, Moody's and S&P and accordingly failed to file notices thereof. DAC as the City's dissemination agent recently filed a notice with EMMA that indicates the current ratings of the municipal bond insurers which insure such outstanding bonds of the City. The City fully anticipates satisfying all future disclosure obligations required pursuant to the Rule.

#### **MISCELLANEOUS**

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the 2014 Bonds, the security for the payment of the 2014 Bonds, and the rights and obligations of holders thereof.

The information contained in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the 2014 Bonds.

The execution and delivery of this Official Statement by its City Administrator and its Director of Finance have been duly authorized by the City Council.

CITY OF ST. PETERSBURG, FLORIDA

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Richard D. Kriseman  
Mayor

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Anne A. Fritz  
Director of Finance

## **APPENDIX A**

### **General Description of the City and Selected Statistics**

## **APPENDIX A**

### **GENERAL DESCRIPTION OF THE CITY AND SELECTED STATISTICS**

#### **Location**

The City of St. Petersburg, Florida (the "City") is the southernmost and largest of the 24 municipalities in Pinellas County and is located at the approximate mid-point on the west coast of Florida. The area of the City is approximately 62 square miles, contains approximately 39,700 acres of land, with 6.5 persons per acre. Tampa Bay forms the eastern and southern boundaries, and Boca Ciega Bay, which is part of the Intercoastal Waterway, forms the western boundary of the City. The County seat of Pinellas County is Clearwater, 20 miles to the north. The City of Tampa is 12 miles to the east across Tampa Bay.

Pinellas County is a peninsula bounded on the east by Tampa Bay and on the west by the Gulf of Mexico. It is the second smallest county in terms of land area (approximately 179,200 acres, approximately 280 square miles), but the most densely populated (approximately 4.6 persons per acre) of all Florida counties.

#### **Government**

##### **City**

The City was initially incorporated as a town in 1893 with a second incorporation as a city in 1903. The City operated under the Council/Manager form of government from 1931 to 1993. Effective April 1, 1993, the City Charter was amended to provide for an elected Mayor who shall be the chief administrative official of the City, with no vote on Council. Effective April 1, 1999, the Charter was amended to give the Mayor veto power over City ordinances and line item veto power over budget and appropriation ordinances, subject to the ability of the Council to override the veto. Prior thereto, the Mayor served as a Councilman-at-large. The City is divided into eight council districts. Councilmembers and the Mayor serve terms of four years, subject to term limits.

The City provides a range of services to its citizens, including police and fire protection, refuse collection-disposal, water distribution, sewage treatment, parkland development, neighborhood redevelopment, and structural inspection.

##### **County**

Pinellas County is governed by a seven-member Board of Commissioners. A professional County Administrator is responsible for administering programs in accordance with the policies established by the Board of Commissioners. The County provides service in the areas of elections, tax collection, property appraisal, offender detention, and parkland development. State statutes require that the County provide operational support (i.e., facilities, clerical staffing, etc.) for the Circuit Court judicial system, the State Attorney's Office, and the Public Defender's Office. In addition, the County provides welfare and social service assistance in the form of clinics, counseling, and referrals.

The Pinellas County School System is a separate political entity, complete with taxing authority. The Pinellas County School Board, a seven-member elected body, establishes educational policy, while the administrative responsibilities are delegated to an appointed superintendent.

## Economy

The City is part of a seven-county media market, largest in Florida and 13th in the nation. The region leads the State of Florida in buying power, retail sales, food sales, bank deposits, and has the largest consumer market. The City is the anchor of Florida's High Tech Corridor which has been ranked as one of the top six high tech employment centers in the nation, representing 60% of the state's high-tech industries.

The City's commercial economy remains diverse and resilient. Though the City is inviting to all businesses, five major industry clusters have flourished in the City – manufacturing, information technology, financial services, marine science, and medical and healthcare service. The City maintains the largest financial services cluster in the state of Florida and the largest marine science cluster in the Southeast.

The City of St Petersburg has benefited from continued commercial growth in a difficult economic environment. During the recent challenging economy, this sector has seen the lowest losses in commercial taxable value. The economy continues to deter significant growth across all real property tax categories. However, the City has experienced its first increase in real property taxable values in fiscal year 2013 after five years of declining taxable values. While the City has seen a current increase of 2.9% in taxable value, the City's real property taxable value has decreased by 30.6% since fiscal year 2008 as a result of the national decline in property values that have dramatically affected municipalities, especially in Florida. Single family and multi-family taxable values had a slight increase of 4.2% for fiscal year 2013 but have had the largest losses over the past 5 years with a 32.8% decline since fiscal year 2008, as measured by the Pinellas County Property Appraiser's annual determination of real property taxable assessed value and land use by taxable authority.

Fiscal Year	St Petersburg Taxable Value				Total Taxable Value
	Single Family & Mobile Homes	Multi-Family & Condominiums	Commercial	Other	
2008	\$8,388	\$4,322	\$3,582	\$252	\$16,544
2009	7,335	4,164	3,706	253	15,458
2010	6,413	3,390	3,377	232	13,412
2011	6,176	2,819	2,749	202	11,946
2012	5,400	2,816	2,737	201	11,154
2013	5,639	2,914	2,718	215	11,486

The amounts above are in millions.

As of September 30, 2013 Pinellas County and the City of St. Petersburg had a population of 917,389 and 245,363, respectively, compared with an estimated 916,542 and 244,769 the year before, per the U.S. Census Bureau 5-Year Estimates.

In September 2013, the labor force in Pinellas County and the City of St Petersburg was 461,493 and 131,263, respectively, compared to 444,817 and 123,420, respectively, the year before. Employment within Pinellas County and the City of St. Petersburg differed slightly, with employment at 413,876 and 116,547 for the current year, respectively, and 400,293 and 110,720 respectively for the prior year. The non-seasonally adjusted City unemployment for September 2013 stood at 10.8 percent compared to 9.1 percent a year earlier. (Source: Bureau of Labor Statistics [www.bls.gov](http://www.bls.gov)).

The growth of the City's downtown redevelopment area has been noteworthy with the value of property in the City's Intown redevelopment area increasing from \$108 million to \$910 million between

1981 and 2010, experiencing continual annual growth until the most recent year which reported a 10% decrease from the prior year. Nearly \$2 billion in new downtown public and private construction have been completed or initiated since the City approved a redevelopment plan for the area in March 1982. The investment has produced an array of high-rise office towers, condominiums, townhomes, retail shops, restaurants, and entertainment venues. Major office building development occurred from the mid 1980's to 1992, with over 1.3 million square feet of office space built, including the City Center, Wachovia Building, Bank of America Tower, and the First Central Tower. The reopening of the Vinoy Park Hotel in 1992, renovated for \$133 million (real dollars), re-energized the downtown waterfront. Since 1998, when Major League Baseball came to Tropicana Field, mixed-use residential projects have been the development leader, providing over 2,000 dwelling units, 450,000-SF of retail and more than 230,000-SF of performing arts and museum space that have created one of the most livable downtowns in the southeastern United States. Noteworthy projects built during the period include the Florencia, the Cloisters, Parkshore Plaza, 400 Beach on Beach Drive, Signature Place and Ovation; and hundreds of residential townhomes and small condominium projects in the University Park district.

The City has made an unprecedented public commitment of more than \$370 million to downtown projects. The 45,000-seat Tropicana Field is one of the largest cable-supported domes in the world. In the mid 1990's, the City completed a \$62 million renovation to Tropicana Field to accommodate the City's Major League Baseball expansion franchise, the Tampa Bay Rays that began play in 1998 as the Devil Rays. The Tampa Bay Rays were the 2008 American League Champions and the 2010 American League East Champions. In addition, the City and the private sector have developed a downtown streetscape enhancement project, Plaza Parkway, which links the downtown waterfront with Tropicana Field and other downtown facilities. In 2005, the City and Pinellas County agreed to extend the downtown redevelopment area for another 30 years beginning in 2012 in order to support an additional \$97.5 million of downtown public improvements, including the Mahaffey Theater, Progress Energy Center for the Arts, Municipal Pier, park land, street scape and transportation projects.

Other areas of the City are growing as well. Since 1995, Bayboro Harbor District and the adjacent medical district has seen substantial investment by the University of South Florida, nearby hospitals, and institutions. The all-new \$400 million All Children's Hospital opened in 2010 and the new \$35 million Salvador Dali Museum opened on January 11, 2011. Other expansion projects include the University of South Florida-St. Petersburg's parking garage, Residence Hall One, and Science and Technology Building and the Poynter Institute for Media Studies. Over \$420 million has been invested in development in the CRA, including the new home of SRI-St. Petersburg, renovation of Bayboro Station, renovation and expansion of the Studebaker Building (600 4th Street South) by the United States Geological Survey, and construction of the Children's Research Institute on Fourth Street South in 2000.

On many main corridors, such as 4th Street, Central Avenue and Tyrone Blvd., developers are renewing commercial property through restoration, renovation and new construction.

In the Gateway area of mid-Pinellas, which includes both incorporated and unincorporated sites, more than 30 major developments valued at more than \$1 billion are completed, under construction or proposed. Gateway developments will create 45,000 jobs in an area that has one of the highest concentrations of high-technology industries in Florida. Firms that have located in the St. Petersburg's Gateway areas in the past several years include New Advantage, Halkey-Roberts, Val-Pak, Bright House Networks and First Advantage. Other notable companies in the area include Avaya, Fidelity National, Tampa Bay Research Institute, Home Shopping Network, America II, Plasma-Therm, Jabil Circuit, Konika Minolta and Catalina Marketing.

In Carillon, a Gateway business park, Raymond James Financial, Inc. has completed the third phase of their national headquarters; Aegon Equity Group and Franklin/Templeton Funds have moved into new facilities and PSCU has a regional operations center and Humana Cares is on its way to reaching

700 employees for its care management unit. This growing employment and corporate base has led to growth in services for the area including a new full service Hilton Hotel along with restaurants and retailers. Carillon will accommodate a planned total of six million square feet with offices, hotel rooms, restaurants and retail businesses. All of these firms enjoy superb access to the entire Tampa Bay area, as the Gateway includes St. Petersburg-Clearwater International Airport and is bordered by Interstate 275 and Gandy Boulevard, the two thoroughfares that connect St. Petersburg and Tampa.

The City's owned and operated Albert Whitted Municipal Airport is a full-service, general aviation airport, located on the waterfront, 1/4 mile from the center of downtown. The airport hosts over 250 permanently based aircraft and provides air cargo, charter service, air taxi, maintenance, and flight instruction for both fixed wing aircraft and helicopter operations. The new \$4.4 million, general aviation terminal opened in 2008 and includes a public viewing pavilion, and retail space. A new control terminal was completed in 2011. Additional airports serving the City are the St. Petersburg/Clearwater International Airport, thirteen miles from downtown, and the acclaimed Tampa International Airport, just 25 minutes from downtown.

### **Utilities and Communications**

The City's three municipal enterprise operations, Public Utilities, Stormwater and Sanitation, provide potable water, wastewater treatment, reclaimed water irrigation, stormwater improvements and solid waste collection and disposal services to its citizens. Stormwater maintenance is provided by the Engineering/Storm Water Department. Water quality and supply remain high for the City and wastewater facilities and treatment continue to be among the best in Florida. The City is continuing the expansion of a reclaimed water irrigation system which reduces the demands on potable water resources. The City's residents are served twice weekly by an automated sanitation collection service. Solid waste is disposed of in a Resource Recovery Plant which is under the administrative control of Pinellas County. This disposal method replaced landfill operations in 1983 and is the required method for all waste disposal in Pinellas County.

Other utilities in the City are provided by Progress Energy, Inc. (now a subsidiary of Duke Energy) for electric service, Verizon and Bright House Networks for telephone service and TECO for metered natural gas.

The Tampa Bay Times, an award-winning daily newspaper, is published in the City along with a number of smaller weekly publications and has its main office in downtown. The Tampa Tribune has opened an office in the City to better serve the readers and advertisers in Pinellas County. Seven television stations and three cable franchises serve the greater St. Petersburg area. The City also operates its own low power broadcast government access channel.

### **Education**

The City is also home to some of the finest educational and research institutes found anywhere. The University of South Florida- St. Petersburg Bayboro Campus, a modern complex along the downtown waterfront, offers undergraduate and graduate degree programs. The Bayboro Campus has grown to approximately 46 acres and has a student population of 4,700. St. Petersburg College, the oldest and fourth largest community college in Florida, serves over 67,000 credit and non-credit seeking students and offers complete academic programs for undergraduate degrees. Eckerd College, the only private national liberal arts college in Florida and one that has a reputation for developing innovative programs that have been adopted nationwide, serves nearly 1,700 students. Housed in the historic Rolyat Hotel, Stetson College of Law in Gulfport, adjacent to the City, is the oldest law school in the State and enrolls 1,000 students. The Poynter Media Institute is one of the nation's leading training facilities for working print and broadcast journalists, offering seminars in writing, media management and ethics. The

United States Geological Survey has offices located at Bayboro Harbor, adjacent to the University of South Florida's Bayboro Campus, where scientists can work closely with that university's award-winning marine science program. The City's elementary and secondary schools are in the Pinellas County School System which offers innovative academic programs, including the Center for Advance Learning and the International Baccalaureate Program.

### **Cultural and Recreational Facilities**

A variety of cultural facilities are available in the City, ranging from theater and symphony performances to museum displays. The Mahaffey Theater is a City owned and operated theater, which provide events throughout the year, including symphony and top-name entertainers.

Several fine museums adorn the downtown waterfront. The Museum of Fine Arts, in Straub Park, features ten exhibition galleries, including three authentic period rooms, an outdoor ornamental garden and an auditorium for community events. The Salvador Dali Museum houses the largest collection of Dali works in the world. The collection--valued at \$75 million--has 93 oil paintings, 100 watercolors and drawings, and 1,300 graphics, sculptures and objects of fine art. The Museum is on Bayboro Harbor and its impressive collection was made possible by a donation to the State of Florida from Mr. and Mrs. A. Reynolds Morse of Cleveland. In January 2011, the Dali museum moved to a 74,000-SF building on the City's downtown waterfront and is an architectural icon for arts patrons worldwide. The Morean Arts Center, a 30 year old non-profit art gallery and educational center devoted to the visual arts, has completed a multi-million dollar expansion of its facility in downtown and opened the Chihuly Collection with great fanfare. The St. Petersburg Museum of History and Flight, along The Pier approach, offers visitors a glance at the City's unique past and includes a pavilion for a display of the Benoist airplane which inaugurated commercial airline service in 1914. The Great Explorations Hands on Museum offers children and adults interactive exhibits in the arts, science and health fields and moved into its new facility in the recently renovated Sunken Gardens. In 1998, the Tampa Bay Holocaust Museum joined the collection of world class downtown museums.

The City's municipal library system consists of a Main Library and five branches. The system is fully automated, providing easy access to materials at all sites. With collections of over 418,000 items, both print and non-print, the City's libraries offer a wide variety of services that enhance the quality of life of the City's residents and visitors. In keeping with the library's mission to provide materials, information and services to meet educational, recreational, cultural and social needs of our diverse community, also offered is access to ideas, information and commentary from around the world via the Internet.

The City has one of the most extensive recreational programs in the Country. The City's Parks & Recreation Departments supervise more than 2,700 acres of parkland containing recreational parks, scenic parks, 15 adult and community centers, and 9 swimming pools. The City also maintains 66 lighted tennis courts and baseball and softball fields. Boyd Hill Nature Park features bicycle paths, a boardwalk for strolling through natural Florida vegetation, and an interesting nature center adjacent to the South Branch Library. The Office on Aging oversees the operations of the Sunshine Center, a multi-service center for all ages. It also promotes intergenerational involvement through activities and programs, advocates to improve the quality of life for seniors in our community and offers information and referral services. Therapeutic Recreation Programs, teen programs and City-wide special events are offered for the special interests of the community. The City also has a play "n" close to house playground & programs (72 units), which are located within a 1/2 mile of every child.

The City features numerous golf courses including three award winning municipally owned courses. Mangrove Bay Golf Course has been rated as one of the top 50 public golf courses and has recently undergone complete course renovation. The area also has fishing, boating, waterskiing and some of America's finest beaches. The Pier, a municipally-owned facility, has recently closed. City Council is

currently studying options to renovate the Pier or construct a new one. Nearby Demens Landing is an 8.5 acre waterfront park that includes the Municipal Marina support facilities, a sailing center, playground equipment, fishing piers and other facilities for the general public.

Florida's largest publicly operated marina facility, the St. Petersburg Municipal Marina, is located in downtown, and serves as the hub for local boating activities. Facilities include 650 permanent slips and 500 feet of transient dock space for visiting boaters. The Municipal Marina maintains a 91% occupancy rate for permanent slips and docks 400 transient vessels each year. The Port of St. Petersburg is one of Florida's fourteen officially designated deep water ports and is an integral part of the City's waterfront development.

As a major sports hub of the Southeast, the City is host to a variety of on-going and special sporting events throughout the year. Other annual sports events in the City include the St. Anthony's Triathlon, called one of the best urban races in the United States, the Annual Suncoast Tarpon Roundup (fishing contest), Sail Expo St. Petersburg, and the Grand Prix of St. Petersburg (motorsports).

The City and Takamatsu, Japan, became sister cities in 1961. Takamatsu's Mayor recently visited the City to commemorate this sister cityhood. Student exchanges are a major part of this relationship and for two years a Takamatsu City worker has interned in the City. This year the City is in the process of developing a "Twin City" relationship with St. Petersburg, Russia, for which it is named.

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**CITY OF ST. PETERSBURG, FLORIDA**  
**TAXABLE ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF PROPERTY<sup>(1)</sup>**  
**LAST TEN FISCAL YEARS**  
**(In Thousands)**

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Non Agricultural Property</u>	<u>Institutional Property</u>	<u>Government Property</u>	<u>Mobil Home Property</u>	<u>Other Property<sup>(2)</sup></u>	<u>Less: Tax Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Value<sup>(3)</sup></u>
2003-04	2003	\$11,285,005	\$1,967,940	\$318,532	\$5,620	\$711,733	\$1,007,943	\$5	\$144,388	\$5,750,497	\$9,690,669	7.09	\$11,365,493
2004-05	2004	12,816,625	2,179,517	357,154	6,805	783,710	1,112,104	402	133,717	6,586,958	10,803,076	7.09	12,709,501
2005-06	2005	15,230,443	2,532,931	398,332	6,265	782,167	1,293,602	50,024	170,462	7,877,510	12,586,716	6.95	14,807,901
2006-07	2006	19,314,388	2,910,620	475,306	9,753	923,930	1,535,914	58,824	215,642	10,288,303	15,156,074	6.60	17,830,675
2007-08	2007	20,393,461	3,059,415	525,455	1,859	973,415	1,632,279	69,259	220,502	10,331,656	16,543,989	5.91	19,463,515
2008-09	2008	18,782,403	3,133,542	574,514	1,791	993,442	1,702,431	60,612	218,278	10,009,077	15,457,936	5.91	18,185,807
2009-10	2009	15,156,061	3,163,397	535,144	6,257	1,082,935	1,120,945	50,388	195,115	7,898,324	13,411,918	5.91	15,778,727
2010-11	2010	12,917,788	2,754,488	472,884	5,837	1,134,502	1,013,896	50,474	185,215	6,589,005	11,946,079	5.91	14,054,209
2011-12	2011	11,787,282	2,601,792	429,076	4,779	1,106,711	966,869	48,291	140,285	5,930,993	11,154,092	5.91	13,122,461
2012-13	2012	12,337,191	2,629,033	408,480	2,512	1,093,360	968,441	51,916	149,419	6,154,429	11,485,921	6.77	13,512,848

(1) Pinellas County Property Appraiser.

(2) Includes leasehold interest, miscellaneous and centrally assessed.

(3) Estimated actual value is calculated by dividing the total taxable assessed value by .85 (this value is net of exemptions).

**CITY OF ST. PETERSBURG, FLORIDA  
RATIO OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

**GOVERNMENTAL ACTIVITIES**

Fiscal Year	General Non-ad Valorem Notes & Bonds	Public Improvement Revenue Bonds	Utility Tax Revenue Bonds	Pro Sports Facility Revenue Bonds	Excise Tax Revenue Bonds	Capital Improvement Revenue Bonds
2004	\$37,768,000	\$42,664,107	\$15,558,898	\$27,185,000	\$75,520,000	\$4,855,000
2005	50,075,000	38,389,293	11,596,971	26,210,000	70,680,000	4,625,000
2006	50,380,000	33,916,388	11,458,248	25,295,000	65,630,000	4,380,000
2007	44,395,000	29,159,779	9,271,756	24,360,000	60,350,000	4,120,000
2008	39,946,000	24,077,211	5,250,000	23,410,000	54,825,000	2,455,000
2009	38,855,000	18,665,000	2,690,000	22,435,000	49,040,000	-
2010	36,729,000	12,770,000	-	21,445,000	42,975,000	-
2011	39,033,000	6,540,000	-	20,425,000	36,610,000	-
2012	36,155,000	-	-	19,375,000	29,925,000	-
2013	32,332,000	-	-	18,290,000	22,895,000	-

**BUSINESS-TYPE ACTIVITIES<sup>(1)</sup>**

Fiscal Year	Water Resources Revenue Bonds and Notes	Stormwater Revenue Bonds	Airport Revenue Bonds	Golf Course Revenue Bonds	Golf Course Capitalized Leases	Marina Revenue Notes	Total Primary Government
2004	\$129,169,223	\$20,478,000	\$2,730,000	\$670,000	\$ -	\$ -	\$356,598,228
2005	135,892,068	20,478,000	2,520,000	345,000	-	-	360,811,332
2006	185,909,783	20,478,000	2,300,000	-	150,000	-	399,747,419
2007	179,802,376	21,256,000	1,950,000	-	105,908	7,430,000	382,094,911
2008	175,585,602	21,180,000	1,580,000	-	56,059	7,055,000	355,363,813
2009	223,205,250	21,048,000	-	-	4,390	6,665,000	382,603,250
2010	218,575,075	20,910,000	-	-	-	6,260,000	359,664,075
2011	262,640,789	20,764,000	-	-	162,153	5,840,000	391,852,789
2012	261,989,489	20,614,000	-	-	116,021	5,405,000	373,463,489
2013	300,073,123	20,456,000	-	-	68,803	4,950,000	397,707,172

Fiscal Year	Percentage of Total Taxable Assessed Value <sup>(1)</sup>	Per Capita	Property Tax Value <sup>(2)</sup>	Permanent Population <sup>(3)</sup>
2004	0.0332	1,409.42	\$10,782,054,510	253,010
2005	0.0305	1,421.07	11,899,634,887	253,902
2006	0.0294	1,572.42	13,690,063,184	254,225
2007	0.0234	1,508.06	16,302,500,912	253,369
2008	0.0200	1,413.21	17,718,466,042	251,459
2009	0.0230	1,538.23	16,623,629,970	248,729
2010	0.0246	1,459.81	14,560,445,457	246,378
2011	0.0298	1,600.91	13,067,079,244	244,769
2012	0.0304	1,516.34	12,220,784,811	246,293
2013	0.0330	1,605.78	12,067,827,749	247,673

(1) Total primary government outstanding debt divided by Property tax value.

(2) Pinellas County Property Appraiser.

(3) City of St. Petersburg Economic Development Department.

**TEN MAJOR PRINCIPAL PROPERTY TAX PAYERS  
FISCAL YEAR ENDED SEPTEMBER 30, 2013<sup>(1)</sup>**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Taxable Assessed Valuation</u>	<u>Percent of Total Taxable Assessed Valuation</u>
Duke Energy	Utility – Power	\$181,824,579	1.80%
De Bartolo Capital	Retail Mall	115,500,000	0.95
Raymond James & Associates	Investments	106,050,939	0.89
Bright House Networks	Utility – Cable	57,495,404	0.40
Franklin Templeton	Investments	50,000,000	0.40
Val –Pak	Advertising	48,330,245	0.35
Verizon	Utility – Telephone	41,228,783	0.34
Vinoy Park Hotel Co.	Hotel	34,500,000	0.31
Zarcasres Central LLC	Real Estate	34,250,000	0.29
Carillon Holdings LLC	Real Estate	33,354,780	0.28
	TOTAL	<u>\$702,534,730</u>	<u>6.01%</u>

(1) Pinellas County Property Appraiser. Total taxable assessed value for 2013 is \$12,067,827,749.

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**CITY'S PROPERTY TAX LEVIES AND COLLECTIONS<sup>(1)</sup>  
LAST TEN FISCAL YEARS**

Tax Levy		Collections to Date	
Fiscal Year	Amount <sup>(3)</sup>	Amount	Percent of Levy <sup>(2)</sup>
2003-04	\$76,471,927	\$76,647,521	100.23%
2004-05	84,336,077	84,538,861	100.24
2005-06	95,171,019	95,292,665	100.13
2006-07	107,596,506	104,184,511	96.83
2007-08	104,760,430	101,436,249	96.83
2008-09	98,287,212	95,111,128	96.77
2009-10	86,088,634	83,476,320	96.97
2010-11	77,259,092	75,033,218	97.12
2011-12	72,255,376	70,322,058	97.32
2012-13	81,749,936	78,779,223	96.37

(1) Pinellas County Property Appraiser.

(2) Prior to fiscal year 2013 the delinquent taxes collected by the original tax year levied data was not available. As such all delinquent tax collections received during the year were applied to the year prior to collection, regardless of the year in which the taxes were originally levied. Fiscal year 2013 delinquent tax collections have been applied to the year in which they were originally levied. Consequently, the Percentage of Levy in Total Collections to Date may be greater than 100% for years prior to fiscal year 2013.

(3) Delinquent taxes by levy year are not available.

**DIRECT AND OVERLAPPING PROPERTY TAX RATES<sup>(1)</sup>  
LAST TEN FISCAL YEARS  
(In Mills, Per \$1,000 of Assessed Value)**

Fiscal Year	City of St. Petersburg Direct Rates		Overlapping Rates <sup>(2)</sup>				
	Basic Rate	Total Direct Rate	Pinellas County				
			County Board Rate	School Board Rate	EMS Rate	Others Districts Rate <sup>(3)</sup>	Suncoast Transit Authority Rate
2003-04	7.0900	7.0900	6.1410	8.2430	0.6600	1.6562	0.6319
2004-05	7.0900	7.0900	6.1410	8.1220	0.6600	1.6557	0.6377
2005-06	6.9500	6.9500	6.1410	8.3900	0.6600	1.6555	0.6377
2006-07	6.6000	6.6000	5.4700	8.2100	0.6300	1.6378	0.6074
2007-08	5.9125	5.9125	4.8730	7.7310	0.5832	1.5121	0.5601
2008-09	5.9125	5.9125	4.8730	8.0610	0.5832	1.5551	0.5601
2009-10	5.9125	5.9125	4.8730	8.3460	0.8506	1.5106	0.5601
2010-11	5.9125	5.9125	4.8730	8.3400	0.5832	1.4410	0.5601
2011-12	5.9125	5.9125	4.8730	8.3850	0.8506	1.2390	0.7305
2012-13	6.7742	6.7742	5.0727	8.3020	0.9158	1.3034	0.7305

(1) Pinellas County Tax Collector.

(2) Overlapping rates are those of local and county governments that apply to property owners within the City of St. Petersburg.

(3) Other districts include Pinellas County Planning Council, Juvenile Welfare Board, Southwest Florida Water Management District, and Pinellas Anclote River Basin.

In 2008, Florida voters and the legislature approved various changes in the manner in which property taxes are assessed. Such changes include (1) an exemption of an additional \$25,000 of the assessed value of homestead property (to be applied on the assessed value between \$50,000 and \$75,000); provided however, this reform does not apply to tax levies by school boards; (2) a cap of 10 percent on yearly assessment increases on certain non-homestead residential and commercial property; provided however, this reform does not apply to tax levies by school boards; (3) portability of the three percent cap on homestead residential property, up to \$500,000, when relocating to a new home within Florida; and (4) a \$25,000 exemption from the tangible personal property tax. The 10 percent cap affected assessments beginning on January 1, 2009. All other reforms took effect retroactive to January 1, 2008.

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
SEPTEMBER 30, 2013**

<u>Type of Debt</u>	<u>Debt Outstanding<sup>(1)</sup></u>	<u>Estimated</u>	
		<u>Percentage Applicable<sup>(2)</sup></u>	<u>Share of Overlapping Debt</u>
Debt repaid with property taxes			
Pinellas County School Board	\$21,985,000	26.82%	\$5,896,377
Pinellas County	3,108,726	26.82	833,760
Subtotal, Overlapping Debt			6,730,137
City Direct Debt <sup>(3)</sup>			<u>72,839,226</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>\$79,569,363</u></u>

- (1) Pinellas County School Board and Pinellas County.
- (2) City of St. Petersburg Economic Development Department. Total population for the City of St. Petersburg (247,673) divided by total population for Pinellas County (926,610).
- (3) City of St. Petersburg 2013 Debt Supplement, Combined Schedule of Gross and Net Debt.

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**NET BONDED DEBT PER CAPITA AND RATIO OF NET  
GENERAL BONDED DEBT TO TAXABLE ASSESSED VALUE FOR  
THE LAST TEN YEARS**

Year	Permanent Population <sup>(1)</sup>	Property Tax Value <sup>(2)</sup>	General Obligation Bonds	Net General Obligation Bonds	Net Bonded Debt Per Capita	Percentage of Total Taxable Property Value
2004	253,010	\$10,782,054,510	\$ -	\$ -	\$ -	0%
2005	253,902	11,899,634,887	-	-	-	0
2006	254,225	13,690,063,184	-	-	-	0
2007	253,369	16,302,500,912	-	-	-	0
2008	251,459	17,718,466,042	-	-	-	0
2009	248,729	16,623,629,970	-	-	-	0
2010	246,378	14,560,445,457	-	-	-	0
2011	244,769	13,067,079,244	-	-	-	0
2012	246,293	12,220,784,811	-	-	-	0
2013	247,673	12,067,827,749	-	-	-	0

(1) City of St. Petersburg Economic Development Department.

(2) Pinellas County Property Appraiser.

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**COMPUTATION OF LEGAL DEBT MARGIN  
FISCAL YEAR 2013  
(In Thousands)**

Taxable Assessed Value - January 1, 2013 <sup>(1)</sup>	\$12,067,827,749
Debt Limit - Percent of Taxable Assessed Value <sup>(2)</sup>	0.125
Legal Limitation for the Issuance of General Obligation Bonds	1,508,478,469
Amount of Debt Applicable to Debt Limit	--
Legal Debt Margin	\$1,508,478,469

(1) Pinellas County Property Appraiser.

(2) Florida Statutes.

**REVENUE BOND COVERAGE  
LAST FIVE FISCAL YEARS**

Fiscal Year	Public Improvement Revenue Bonds	Utility Tax Revenue Bonds	Excise Tax Revenue Bonds	Professional Sports Facility Sales Tax Revenue Bonds	Water Resources & Stormwater Revenue Bonds
<u>Annual Coverage</u>					
2008-09	1.50	13.69	2.36	1.04	2.05
2009-10	1.28	11.43	2.32	1.05	1.87
2010-11	1.15	-	2.44	1.05	1.79
2011-12	1.22	-	2.63	1.05	1.93
2012-13	-	-	2.69	1.05	1.80
<u>Maximum Coverage</u>					
2008-09	4.45	13.68	2.37	1.05	1.74
2009-10	4.44	-	2.33	1.05	1.68
2010-11	4.09	-	2.44	1.05	1.56
2011-12	N/A	-	2.63	1.05	1.90
2012-13					

**DEMOGRAPHIC INFORMATION<sup>(1)</sup>  
LAST TEN YEARS**

Year	Permanent Population	Personal Income (thousands of dollars)	Per Capita Income	Median Age	Public and Private School Enrollment <sup>(2)</sup>	Unemployment Rate (%)
2004	253,010	5,938,651	23,472	40.3	127,974	3.9
2005	253,902	6,082,984	23,958	39.7	126,948	3.7
2006	254,225	6,723,234	26,446	41.4	124,172	3.2
2007	253,369	6,277,977	24,778	41.4	122,496	3.4
2008	251,459	6,047,640	24,050	41.3	121,819	5.7
2009	248,729	6,816,447	27,405	42.4	119,189	9.6
2010	246,378	6,218,154	25,238	42.8	117,653	11.9
2011	244,769	6,341,838	25,909	41.6	102,131 <sup>(3)</sup>	10.7
2012	246,293	6,748,428	27,400	41.3	101,818 <sup>(3)</sup>	9.1
2013	247,673	7,012,117	28,312	41.7	_____	7.1

<sup>(1)</sup> City of St. Petersburg Economic Development Department.

<sup>(2)</sup> JWB Children's Services Council of Pinellas County.

<sup>(3)</sup> Public Schools Only.

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**TEN MAJOR PRINCIPAL EMPLOYERS<sup>(1)</sup>**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2013**

<u>Employer</u>	<u>Employees</u>	<u>Percent of Total City Employment<sup>(2)</sup></u>
Raymond James & Associates	3,100	2.95%
All Children's Health System	3,000	2.85
Home Shopping Network	2,900	2.76
Bayfront Medical Center, Inc.	2,000	1.90
Brighthouse Networks	1,800	1.71
FIS Management Services	1,700	1.62
St. Anthony's Hospital	1,600	1.52
Jabil Circuit	1,400	1.33
Transamerica Life Insurance Company	1,000	0.95
Franklin Templeton Investments	900	0.86
	<u>19,400</u>	<u>18.45%</u>

- (1) City of St. Petersburg Economic Development Department. Schedule does not include governmental or school employees.
- (2) Total employees per principal employer divided by total employees in the City of St. Petersburg for 2013 is 105,126.

## **APPENDIX B**

### **General Purpose Financial Statements**

## **APPENDIX C**

### **Public Utilities System**

**APPENDIX C**

**PUBLIC UTILITIES SYSTEM**

The City of St. Petersburg, Florida (the "City") utilizes a Public Utilities System, which includes the treatment, transmission and distribution of potable water; collection, transmission, treatment and effluent disposal of wastewater; storage, pumping, treatment, transmission and distribution of reclaimed water; and the collection, transmission and treatment of stormwater within the City and adjacent areas. Also included in the Public Utilities System are the existing properties and assets, real and personal, tangible and intangible, owned or operated by the City that are used or useful for the aforementioned purposes and all properties and assets constructed or acquired as additions, improvements and betterments to the System and extensions thereof.

The Public Utilities System is governed by two departments of the City. The Water Resources Department and the Stormwater Department are two of six (6) major departments within the Public Works Administration of the City.

**Water Resources Department**

The Water Resources Department is organized to provide three major services to customers within the City and adjacent areas.

1. Treatment, transmission and distribution of potable water;
2. Collection, transmission, treatment and effluent disposal of wastewater; and
3. Storage, pumping, transmission and distribution of reclaimed water.

**Maintenance**

The Water Resources Department utilizes a decentralized maintenance organization for all utility facility maintenance. Each water and wastewater facility is responsible for its own maintenance. Those responsibilities include mechanical, electrical and instrumentation maintenance of all facilities including: the 4 water reclamation facilities and ground storage facilities, reclaimed water pump stations, 83 wastewater lift stations, 1 water treatment facility, 2 master water pump stations and 4 stormwater pump stations. In addition, a small maintenance group assigned at the administrative complex shares the maintenance responsibility for various Water Resources buildings, including the environmental laboratory, and administration and operations buildings.

The Water Resources Department has two basic maintenance programs: the Corrective Maintenance Program ("CMP") and the Preventative Maintenance Program ("PMP"). The CMP involves replacing or repairing equipment that has become unserviceable, inadequate, worn-out or unfit to be used in the operation of the water, wastewater, or reclaimed water systems. The PMP is designed to prevent equipment breakdowns or building deterioration.

**Customer Base for Water and Wastewater Systems**

The City supplies retail water to its residents as well as to residents in the City of South Pasadena. The City also supplies retail water service to unincorporated areas of Bear Creek, Lealman, Gandy Boulevard, Seminole, and Bay Pines in Pinellas County and to certain customers previously in the unincorporated areas but currently annexed by other municipalities. The City supplies wholesale water to

the City of Gulfport. The City supplies retail wastewater service to residents within the City limits and to certain areas of unincorporated Pinellas County. The City supplies wholesale wastewater service to the Cities of South Pasadena, Gulfport, St. Pete Beach, and Treasure Island and to the Bear Creek Sanitary District, Fort DeSoto Park, and Tierra Verde Utilities, Inc. for the unincorporated area of Pinellas County known as Tierra Verde. As of December 2013, the City no longer receives wastewater flow from the Gateway Centre Development in the City of Pinellas Park. Pinellas Park constructed infrastructure to transport wastewater flow into its collection system. Pinellas Park's wastewater flow is now treated by facilities owned and operated by Pinellas County Utilities. As of June 2014, the Water Resources Department had 91,210 water service accounts and 80,474 wastewater service accounts.

### WATER SYSTEM Consumption and Revenues

The water consumption for both residential users and commercial users (which includes the City's wholesale customers) for the last five years is set forth in the following table:

#### RESIDENTIAL AND COMMERCIAL WATER CONSUMPTION (MILLION GALLONS PER DAY - MGD)

	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014 <sup>(2)</sup>
Residential <sup>(1)</sup>	16.55	16.75	16.84	16.61	16.36
Commercial	6.05	6.12	6.09	5.99	5.86
Wholesale	.99	.98	.98	.96	.96
<b>Total</b>	<b>23.59</b>	<b>23.85</b>	<b>23.91</b>	<b>23.56</b>	<b>23.18</b>

<sup>(1)</sup> Residential consumption fluctuations based upon conservation policies of the City as well as moratoriums from time to time on lawn sprinkling during drought conditions.

<sup>(2)</sup> Consumption is estimated for July, August and September 2014.

The revenues from the sale of water to residential and commercial users (which include the City's wholesale customers) for the last five years is set forth in the following table:

#### WATER REVENUE

	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014 <sup>(1)</sup>
Residential	\$29,506,488	\$31,742,429	\$34,091,726	\$34,705,214	\$35,400,000
Commercial	10,247,456	10,943,759	11,716,139	11,713,255	12,000,000
Wholesale	1,404,743	1,494,014	1,552,694	1,577,341	1,625,000
<b>Total</b>	<b>\$41,158,687</b>	<b>\$44,180,202</b>	<b>\$47,360,559</b>	<b>\$47,995,810</b>	<b>\$49,025,000</b>

<sup>(1)</sup> Revenue is estimated for July, August and September 2014.

The City's ten largest retail water consumers and their total water consumption and revenue generated thereby are set forth in the following table:

## TEN LARGEST RETAIL WATER CONSUMERS

Name	12 Month Year Consumption (Gallons) <sup>(1)</sup>	12 Month Year Revenue <sup>(1)</sup>	% Total Rev
Florida Power Plant (Duke Energy)	115,295,300	\$584,852	1.23%
All Children's Health System	50,879,800	\$201,776	.43%
USA Veterans Hospital	46,608,300	\$360,044	.76%
North St. Petersburg LLC	31,685,600	\$129,410	.27%
Pacifica Emerald Bay	30,991,600	\$127,828	.27%
Placido Bayou	29,580,200	\$139,547	.29%
Eckerd College	27,287,300	\$121,713	.26%
QM Apartments LP	25,432,600	\$98,197	.21%
WSRH VSP LP & WSRH CLUB VSP L	25,089,000	\$100,861	.21%
Lincoln Shores Assocs LLC	24,679,000	\$98,870	.21%
<b>TOTAL</b>	<b>407,528,700</b>	<b>\$1,963,098</b>	

<sup>(1)</sup> For the period between July 2013 and June 2014.

The City's wholesale water customer and its water consumption and revenue generated thereby is set forth in the following table:

### WHOLESALE WATER CUSTOMER

Name	Fiscal Year 2014 Consumption (MGD) <sup>(1)</sup>	Fiscal Year 2014 Revenue <sup>(1)</sup>	% Total Rev
City of Gulfport	.96	\$1,625,000	3.3%

<sup>(1)</sup> Consumption and Revenue are estimated for July, August and September 2014.

### WASTEWATER SYSTEM Consumption and Revenues

The revenues from the collection, transmission, treatment and effluent disposal of wastewater to residential and commercial users (including the City's wholesale customers) for the last five years is set forth in the following table:

### WHOLESALE & RETAIL WASTEWATER REVENUES

	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014
Residential	\$32,348,272	\$35,250,625	\$36,483,340	\$36,465,234	\$37,650,000
Commercial	9,081,376	9,954,926	10,256,853	10,036,916	10,201,000
Wholesale	6,885,122	6,082,895	6,860,213	7,179,853	7,646,000
<b>Total</b>	<b>\$48,314,770</b>	<b>\$51,288,446</b>	<b>\$53,600,406</b>	<b>\$53,682,003</b>	<b>\$55,497,000</b>

<sup>(1)</sup> Revenue is estimated for July, August and September 2014.

The City's ten largest retail wastewater consumers and their average wastewater consumption and revenue generated thereby are set forth in the following table:

### TEN LARGEST RETAIL WASTEWATER CUSTOMERS

Name	12 Month Year Consumption (Gallons) <sup>(1)</sup>	12 Month Year Revenue <sup>(1)</sup>	% Total Rev
All Children's Health System	50,879,800	\$226,482	.51%
North St. Petersburg LLC	31,685,600	\$138,179	.31%
Pacifica Emerald Bay	30,991,600	\$137,749	.31%
Placido Bayou	29,580,200	\$143,942	.33%
Eckerd College	27,287,300	\$119,431	.27%
QM Apartments LP	25,432,600	\$119,334	.27%
WSRH VSP & WSRH Club VSP LLC	25,089,000	\$117,034	.27%
Lincoln Shores Assocs LLC	24,679,000	\$113,840	.26%
St. Anthony's Hospital	21,688,100	\$104,869	.24%
Enclave Sable Pointe Condo	19,543,900	\$85,258	.19%
<b>TOTAL</b>	<b>286,857,100</b>	<b>\$1,306,118</b>	

<sup>(1)</sup> For the period between July 2013 and June 2014.

The City's wholesale wastewater customers and their wastewater consumption and revenues generated thereby are set forth in the following table:

### WHOLESALE WASTEWATER CUSTOMERS

Name	Fiscal Year 2014 Consumption (MGD) <sup>(1)</sup>	Fiscal Year 2014 Revenue <sup>(1)</sup>	% Total Rev
City of St. Pete Beach	2.99	\$2,827,400	5.4%
City of Treasure Island	1.28	2,100,500	4.0%
City of Gulfport	1.02	1,059,200	2.0%
City of South Pasadena	0.50	649,000	1.2%
Bear Creek	0.41	535,000	1.0%
Tierra Verde Utilities, Inc.	0.34	443,000	0.8%
City of Pinellas Park (Gateway Centre) <sup>(2)</sup>	0.05	14,600	0.02%
Fort DeSoto	0.01	17,000	0.03%
<b>Total</b>	<b>6.60</b>	<b>\$7,645,700</b>	

<sup>(1)</sup> Consumption and Revenues are estimated for July, August and September 2014

<sup>(2)</sup> Pinellas Park only provided flow between October 2013 and January 2014

### WATER SYSTEM

#### Organization

The water treatment facilities and high-service pumping, transmission, storage and repump facilities are operated and maintained by the Water Resources Department. The distribution system maintenance is also the responsibility of the Water Resources Department.

The engineering firm of Greeley and Hansen LLC has provided professional engineering services related to the Water System for over 50 years. Based on their knowledge and understanding of the Water System, Greeley and Hansen LLC stated in a letter delivered to the City on July 18, 2014, that they

believe the existing Water System to be in good operating condition and capable of meeting the City's water service area requirements.

### **Service Area**

The City's Water Resources Department Water District Planning Area includes the Cities of St. Petersburg, Gulfport and South Pasadena; the unincorporated areas in Pinellas County of Bear Creek, Lealman, Gandy Boulevard, Seminole, and Bay Pines and certain properties previously in unincorporated areas currently annexed by other municipalities. The City of Gulfport utilizes its own water distribution system. The distribution systems within the City of South Pasadena and in the aforementioned unincorporated areas are owned and operated by St. Petersburg. The City's Water Resources Department also provides water on an emergency basis to portions of Pinellas County.

### **Water Supply**

The City currently purchases its raw water from Tampa Bay Water, a Regional Water Supply Authority ("Tampa Bay Water"), which was created to develop, operate and manage the water supply resources for its Member Governments. The Member Governments of Tampa Bay Water include the Cities of New Port Richey, St. Petersburg and Tampa and the Counties of Pasco, Pinellas and Hillsborough. All of the Member Governments (except the City of Tampa and its Hillsborough River water supply facilities) transferred their water supply facilities to Tampa Bay Water (except for certain limited exceptions) in order for it to serve as the sole raw water supplier to the tri-county area. A unitary rate is charged to all six Member Governments for the provision by Tampa Bay Water of wholesale water. Under the terms of the governing contracts for Tampa Bay Water, none of the Member Governments may develop individual water supply sources for their own use, except as authorized by the Interlocal Agreement.

The water supply to the City is provided by Tampa Bay Water from groundwater well fields located in Hillsborough and Pasco counties; surface water from the Hillsborough and Alafia rivers and a seawater desalination plant located at Apollo Beach, Florida. The City is connected to the regional water system at the City's Cosme Water Treatment Plant through a 42-inch main, which connects the South Pasco Well Field to the 84-inch main from the Cypress Creek Pumping Station. The City's Water System also interconnects with the Pinellas County Water System and the City of Clearwater for water exchanges during emergency shutdowns.

The unitary rate charged to the Member Governments for the purchase of water supply may be offset by annual credits to each of them for a portion of the purchase price for their water supply facilities. The City sold its water supply facilities to Tampa Bay Water in 1998 for a total of \$119,518,814, \$93,400,000 of which was paid as a lump sum to the City. The \$93,400,000 proceeds from the sale of the water supply facilities were transferred to an Operating Reserve Fund. See "SECURITY FOR THE BONDS – Net Revenues of the System" for more information about the Operating Reserve Fund. The remaining \$26,118,814 of the purchase price is amortized as an annual credit against the cost of the water supply purchased by the City from Tampa Bay Water. Such annual credit is computed on a 30 year amortization of the net purchase price, compounded semi-annually using the interest rate borne by the Tampa Bay Water Utility System Revenue Bonds, Series 1998B.

### **Water Treatment, Storage, Transmission and Distribution**

Potable water delivered from Tampa Bay Water (TBW) is treated at the City's Cosme Water Treatment Plant ("Cosme WTP") which has a rated capacity of 68.6 mgd. The treatment plant provides aeration, softening using lime precipitation, filtration and chlorination. During several months of the year, the combination of surface water, ground water and desalination water results in TBW producing a

relatively "soft" water. For these times when the "soft" water is coming into Cosme, it is not necessary to further soften the water. The City is currently evaluating a full-scale pilot program to bypass the softening process and the finished water pumps. Bypassing these processes results in reduced chemical and lower electric costs. If the results of this pilot project are positive, then the City will install the necessary equipment, pipes and valves to make this a permanent operating option. Typical average daily water use currently is in the range of 26.91 to 28.15 mgd, with peak day use in the range of 28.51 to 30.98 mgd.

The City's water distribution facilities include high service pumps, storage facilities; repump stations, transmission mains and distribution mains. Six high service pumps are located at the Cosme WTP, and have a firm capacity of 78 mgd and a total capacity of 104 mgd.

The finished water is pumped from the Cosme WTP twenty-six miles through two transmission mains, a 36-inch main constructed in 1929 and a 48-inch line constructed in 1962, to the Oberly and Washington Terrace Pumping Stations respectively. Both pumping stations are located on the northern edge of the City's distribution system. The City of Gulfport and several areas of unincorporated Pinellas County are served by the City's Water System. There are approximately 1,540 miles of water main distribution pipeline. There are approximately 6,400 fire hydrants connected to the potable water system.

## WASTEWATER SYSTEM

### Organization

#### Water Reclamation Facilities

The City owns and operates four water reclamation facilities.

Plant No.	Name	Design Hydraulic Capacity (mgd)
1	Albert Whitted Water Reclamation Facilities	12.4
2	Northeast Water Reclamation Facilities	16.0
3	Northwest Water Reclamation Facilities	20.0
4	Southwest Water Reclamation Facilities	20.0
<b>TOTAL</b>		<b>68.4</b>

The City built the Albert Whitted Water Reclamation Facility ("WRF") to provide service to downtown. As the City expanded, demand for wastewater services increased and the City responded to such increased demand with the construction of three more WRFs. The northeast area of the City, along with some unincorporated areas, are provided wastewater treatment by the Northeast WRF, which has a capacity of 16.0 mgd. The southwest area of the City, along with the Tierra Verde area of Pinellas County and a portion of the City of Gulfport and Fort Desoto Park, are provided wastewater treatment by the Southwest WRF, which has a capacity of 20.0 mgd. The northwest areas of the City, along with a portion of Gulfport and the Cities of Treasure Island, South Pasadena, St. Pete Beach, and the Bear Creek area of Pinellas County, are provided wastewater treatment by the Northwest WRF, which has a capacity of 20.0 mgd. The southeast area of the City is provided wastewater treatment by the Albert Whitted WRF, which has a capacity of 12.4 mgd. The Northeast and Southwest WRFs each have three deep injection wells, while the Northwest and Albert Whitted WRFs have two deep injection wells each.

As the City grew, so too did the need for expansion of the wastewater treatment facilities. In 1972 the Wilson-Grizzle Bill was enacted by the Florida Legislature. It required all communities in the Tampa Bay area to cease discharging wastewater into Tampa Bay or to treat their discharge with

advanced wastewater treatment ("AWT") technology. Acceptable effluent for discharge to surface water was defined as one that did not exceed 5 mg/l BOD, 5 mg/l suspended solids, 3 mg/l total nitrogen, and 1 mg/l total phosphorus. The City evaluated the alternatives and, based on the cost of constructing and operating AWT facilities, and considering the water supply problems, opted to upgrade the plants to advanced secondary treatment (secondary treatment and filtration) and implemented an effluent recycling and deep well injection program that would result in zero-discharge.

The expansion of each WRF incorporated a design that would provide pumping, storage and distribution facilities for the final treated effluent, rather than direct discharge into Tampa Bay or the Gulf of Mexico. This decision resulted in a base design that the City used to develop one of the largest reclaimed water systems in the country. Each of the four WRFs is connected to the citywide distribution system that provides flexibility in the storage and distribution of the reclaimed water.

In 2011, the City initiated a study to evaluate the impacts of taking the Albert Whitted WRF out of service and pumping the flow to the Southwest WRF. The study projected relatively flat increases in the wastewater flows to the four WRFs over the 20-year planning period. The study then evaluated the treatment capacity of each facility and determined that the Southwest WRF had sufficient excess treatment capacity. By taking the Albert Whitted WRF out of service and transferring the flow to the Southwest WRF, the City could reduce the number of facilities that needed to be operated and maintained. Based on a 20-year Present Worth analysis, this flow transfer would save over \$30 million dollars during the 20-year planning period. The pumping station and pipeline have been designed and are currently under construction. Based on the current construction schedule, the facilities will be placed into service in the fall of 2014. At that time, the Albert Whitted WRF will be taken out of service and decommissioned.

The City currently has 8 deep injection wells, each approximately 700 to 1,000 feet deep, with a combined capacity of 134 mgd. In addition, it has one aquifer storage and recovery (ASR) well at the Southwest WRF. Excess reclaimed water is injected into this well during the wet season and then pumped out and utilized during the dry season. No discharge is allowed into surface waters. Sludge is disposed of through contract removal and disposal on agricultural land. Based on the 2000 Census, the total functional population served by the City's four WRFs was 321,610 in 2010. The City currently permits and monitors 26 businesses as part of the industrial pretreatment program. Sixteen of the 26 businesses pre-treat their waste onsite before it is discharged into the wastewater system. One business is a zero-discharge industrial facility, which means they voluntarily elect to not discharge any of their process wastewater, but are required to maintain the necessary permits. Nine of our industries/businesses are not required to pre-treat their waste prior to discharge into the wastewater system.

In 2010, the City began an initiative to study and evaluate the methods used for treatment and disposal of biosolids from the four WRF's. This was in response to significant changes by the United States Environmental Protection Agency to the regulations for the land application of biosolids. The conclusion of the studies was to centralize biosolids treatment at the Southwest WRF. As noted earlier, Albert Whitted flows and their associated biosolids were already programmed to be transferred to the Southwest WRF. Biosolids from the Northeast and Northwest WRFs will be transferred to Southwest WRF using new force mains and the existing gravity collection system. At the Southwest WRF, the biosolids will be collected in primary and secondary clarifiers, thickened, digested in a Temperature Phased Anaerobic Digestion (TPAD) process and then dewatered. The resulting Class "A" biosolids will be land applied by a private contractor. The methane gas produced by the digestion process will be collected, cleaned and compressed to produce Renewable Natural Gas (RNG). The RNG will be used to power natural gas-driven City Sanitation trucks and/or will be used in a natural gas engine generator to produce electricity for the operation of the Southwest WRF. A Present Worth analysis indicated a \$30 million savings in Present Worth over 20 years as opposed to continuing with current processes. The City was awarded a \$2.5 million grant through the Department of Energy for the study and design of the

biosolids process. The City is currently investigating other government and/or private grant opportunities. Detailed design has recently been initiated and will extend through the Fall of 2015. The construction phase is anticipated to take approximately two years.

The City has received its MS4 permit renewal, which requires that the City address Total Maximum Daily Loads (TMDLs) that were established at the time of the permit renewal. The Florida Department of Environmental Protection ("FDEP") and the Environmental Protection Agency (EPA) have issued Total Maximum Daily Loads ("TMDLs") on the Joe's Creek/Miles Creek watershed for nutrients, dissolved oxygen, biological oxygen demand, and fecal coliform. The watershed is shared with Pinellas County. Additionally, FDEP has issued fecal coliform TMDLs for the Clam Bayou watershed. Finally, one other TMDL existed at the time of permit renewal, a fecal coliform TMDL in the Roosevelt Basin on the northern side of the city. A key element of meeting these TMDLs is the City's ongoing program to maintain and rehabilitate the wastewater collection system in order to eliminate overflows.

### Wastewater Collection System

The City's wastewater collection system consists of approximately 19,400 manholes, 900 miles of gravity sewer main lines, 470 miles of lateral service pipe, 83 lift stations, and 50 miles of pressurized force main pipe. The development of the City's wastewater collection system dates back to 1894, with about 25% of its current size having been built prior to 1933. Most of the remaining areas were built between 1950 and 1962. Older portions of the system were constructed primarily of vitrified clay pipe ("VCP"), cast iron pipe ("CIP"), and reinforced concrete pipe ("RCP"). Current construction methods utilize installation of polyvinyl chloride pipe ("PVC"). Newer rehabilitation methods utilize installation of high-density polyethylene ("HDPE") or cured in place pipe ("CIPP") liner materials. Pipe bursting, horizontal directional drilling and other trenchless methods are also employed to reduce the cost and impact of sanitary sewer pipe construction or replacement projects.

The City's wastewater collection system contains approximately 80,474 service connections and is divided into four service areas, each with its own wastewater treatment or water reclamation facility ("WRF"). These service areas are categorized geographically into the Southeast or Albert Whitted Area, the Northeast, Northwest, and Southwest areas. The portions of the entire collection system served by these facilities are as follows:

#### Wastewater System Inventory

<u>Service Area</u>	<u>Manholes</u>	<u>Gravity Sewers (feet)</u>	<u>Lift Stations</u>	<u>Force Mains (feet)</u>	<u>Water Reclamation Facilities</u>
Albert Whitted	3,850	1,160,000	12	50,000	1
Southwest	6,050	1,470,000	26	90,000	1
Northwest	4,550	950,000	14	20,000	1
Northeast	4,950	1,240,000	31	100,000	1
<b>Total</b>	<b>19,400</b>	<b>4,820,000</b>	<b>83</b>	<b>260,000</b>	<b>4</b>

The Cities of St. Pete Beach, Treasure Island, South Pasadena and the Sanitary Sewer District known as Bear Creek are wholesale customers of the City. They own their own collection and transmission systems, which convey untreated wastewater to the City's Pasadena Master pumping station. The wastewater is pumped through the Pasadena Master Booster Station to the Northwest Water Reclamation Facility for treatment. The City-owned pumping station located on Tierra Verde island receives untreated wastewater from that community and Ft. Desoto park (owned by Pinellas County). Those flows are conveyed to the Southwest Water Reclamation Facility. Flows from the City of Gulfport are also conveyed to the Southwest Water Reclamation Facility.

The southeast area of the City, including the downtown area, is currently served by the Albert Whitted WRF. The City has initiated a project to decommission the Albert Whitted WRF, and construct a master pumping station and 30" force main to redirect the wastewater from the Albert Whitted collection area to the Southwest WRF. Construction of this project was initiated during 2013 and is expected to be put in service in the Spring of 2015.

Historically, the City experienced severe problems with its wastewater collection system during the 1990's. These problems appeared to become chronic and led to the City initiating a comprehensive plan to correct defects within the system. In February of 2000, the City entered into a Consent Order agreement with FDEP. As part of this Agreement, the City voluntarily participated in the United States Environmental Protection Agency ("USEPA") Region Management, Operation and Maintenance/Corrective Management, Operation and Maintenance ("MOM/CMOM") Program.

In June of 2005, the USEPA sent a letter congratulating St. Petersburg for successful completion of the Program and commending the City on the material and operational improvements that were implemented. In May of 2008, the City received the Florida Water Environment Association's "Collection System of the Year Award" in the category of systems with over 50,000 service connections. The FDEP acknowledged the City's efforts by closing out the Consent Order Agreement in February of 2010, and the City's wastewater collection system is currently operating in good standing regarding all regulatory agencies.

The current capacity assurance, maintenance, operation, and management programs are designed to ensure long-term wastewater collection system reliability and performance. Scheduled preventive and corrective maintenance operations are being performed, and system upgrades or rehabilitation projects are planned to provide a sustained high level of service for the City's residents and customers.

#### Wholesale Sewer Contracts

The City presently provides service to seven wholesale customers for treatment of wastewater.

In January 2005, the City entered into a ten year agreement with the City of South Pasadena to be a wholesale user of the wastewater system. The City of South Pasadena discharges in excess of 188 million gallons of wastewater annually into the City's wastewater system.

In October 1988, the City also entered into a thirty year agreement with the City of Gulfport to be a wholesale user of the City's wastewater system. The City of Gulfport's annual discharge is in excess of 393 million gallons.

In March 2005, the City entered into a ten year agreement with Pinellas County Bear Creek Sanitary District to be a wholesale user of the City's wastewater system. Bear Creek's annual discharge is in excess of 156 million gallons.

On February 19, 1985, the City entered into an agreement with the City of St. Pete Beach to be a wholesale user of the City's wastewater system. The City of St. Pete Beach's annual discharge is in excess of 959 million gallons. A new agreement was entered into with the City of St. Pete Beach in November 2001 which, like the original agreement, remains in effect as long as the Northwest Water Reclamation Facility is in operation. The rate methodology was changed to a system-wide rate for operating expenses and a special rate for capital improvements based on the City of St. Pete Beach's share of the plant capacity at the Northwest Water Reclamation Facility and other shared facilities.

In September 2008, the City entered into a ten year agreement with Tierra Verde Utilities, Inc. ("TVU") to provide treatment of wastewater. TVU serves a development area adjacent to the City known

as Tierra Verde. The agreement provides for treatment of the maximum average daily flow on a monthly basis of 700,000 gallons per day. TVU's annual discharge is in excess of 124 million gallons.

In July 1978, the City entered into a twenty-five year agreement with the City of Treasure Island ("Treasure Island") for Treasure Island to become a wholesale user of the City's regional wastewater system. That agreement was superseded in January 1984 with a new 25-year agreement beginning January 3, 1983. Prior to 2004, Treasure Island's rate was calculated based on a proportionate share of the Northwest Water Reclamation Facility and other shared facilities. In 2004, Treasure Island elected to change its rate and pay a uniform volume rate based on system-wide costs that were charged to all other wholesale customers except St. Pete Beach. The agreement, as amended, expired in January 2008; however, the City continued to provide wastewater service to Treasure Island in accordance with the existing City Code which authorizes continued service upon expiration of existing contracts and which establishes a twenty-five percent (25%) outside of the City limits surcharge in accordance with the provisions of F.S. § 180.191. In October 2008, the City of Treasure Island challenged the 25% out of city surcharge included in its rate by filing a lawsuit in Pinellas County Circuit Court. The Circuit Court determined that St. Petersburg properly included the 25% out of city surcharge and that decision was upheld by the Second District Court of Appeals. In April 2013, Treasure Island filed a second lawsuit challenging a component of the wastewater rate involving payments in lieu of franchise fees. In July 2014, both Cities executed a Settlement Agreement, ending the ongoing litigation. The Cities also executed a new Agreement for Wastewater Services effective August 1, 2014 for a ten-year term. Treasure Island's annual discharge is in excess of 420 million gallons.

In March 1987, the City entered into a thirty-year agreement with the City of Pinellas Park to provide wholesale wastewater treatment for the Gateway Centre Development. As noted previously, the City of Pinellas Park has modified their collection system. In December 2013, the City of Petersburg no longer received wastewater from the City of Pinellas Park. The revenue loss was approximately \$50,000 annually.

In October 2007, the City entered into a ten-year agreement with Pinellas County for Fort DeSoto Park to be a wholesale user of the City's wastewater treatment facility. Fort DeSoto Park annually discharges in excess of 4 million gallons.

In September 2014, the City Council will consider adopting a unitary rate that goes into effect October 1, 2014, of \$2,869 per million gallons of treated wastewater for all wholesale sewer customers except the City of St. Pete Beach. The City of St. Pete Beach's rate is \$2,058 per million gallons for operations and maintenance, and \$49,651 per month for capital costs. The City will renegotiate all wholesale sewer contracts as those contracts expire. See "RATE STUDY - Wholesale Rates."

## **Maintenance**

The City has undertaken construction and rehabilitation projects since the 1970s, including wastewater line relocations, gravity line reconstruction, lift station improvements and new lift station construction. New wastewater lines and extensions have been provided when the need or demand is required. Wastewater maintenance expenditures comprise a large share of the total operating expenditures of the Water Resources Department.

## **RECLAIMED WATER SYSTEM**

The City operates one of the largest urban water reclamation systems in the world. The initial start-up of the reclaimed system began in 1977 and the system is now supplied by four water reclamation facilities. As of August 2014, the City had approximately 11,007 reclaimed water customers that used an average of 15.65 mgd of recycled water to irrigate more than 7,768 acres of turf grass and landscape

material. The system supports a number of air conditioning cooling towers and provides increased fire protection with the addition of 312 fire hydrants to supplement the existing emergency services. Reclaimed water is delivered by more than 287 miles of transmission and distribution mains ranging in size from 4 to 48 inches in diameter. Individual services are provided across the City through pipes ranging in size from 1 to 12 inches in diameter.

One benefit of the City's reclaimed water system is the conservation of potable water resources. Since the system has been in operation, potable water demand has decreased. During Fiscal Year 2014, the reclaimed water system distributed an average of 15.65 mgd of the almost 32.87 mgd average total water provided by the four water reclamation facilities. Because of the lower demand for potable water, which results in reduced wastewater, the necessity for a reclaimed water system expansion project has been postponed and may not be necessary at all, if current potable water usage trends continue. In addition to reducing potable water demand, the City has avoided the cost of treating the wastewater to the level required for surface water disposal.

Reclaimed water storage is provided onsite at the WRFs for a total storage capacity of 45 million gallons. To date, reclaimed water service outside of the City limits is limited to portions of the City of Gulfport.

All four of the WRFs' reclaimed water product is discharged to the City's public access reclaimed water distribution system, with excess reclaimed water discharged to Class I injection wells permitted by FDEP. The wells are used during wet weather or other periods when the reclaimed water supply exceeds the reuse demand.

Use of the nutrient-rich reclaimed water also resulted in reduced fertilizer costs for the system's customers. Application of approximately 1-1/2 inches of reclaimed water per week provides about 50 percent of the nitrogen, phosphorus, and potassium requirements for horticultural and agricultural purposes.

The water reclamation facilities provide secondary effluent, followed by filtration and disinfection for landscape and turf irrigation, fire protection and cooling tower use. The major system components are located throughout the City.

In order to reduce the possibility of human ingestion of reclaimed water, the City adopted two important stipulations for connecting to the reclaimed water system: (1) the user must have an in-ground irrigation system, or (2) any hose connection assembly has to be special color-coded using a ¾" rubber hose and a lock-box type with cam lock connectors. In addition, the City has an aggressive inspection program of all reclaimed water use sites and a cross connection control prevention program.

One of the early decisions made during system installation involved color coding of all the PVC piping used in the water, reclaimed water and wastewater collection systems. The American Water Works Association standard for potable water is blue, wastewater is green and for reclaimed water the color designation by Florida Statute is Pantone 522C (lavender). All buried ductile iron piping is affixed with a lavender color-coded tape or poly wrap denoting it as a reclaimed water line. Fire hydrants are color-coded: the body is lavender and the bonnet and caps are reflective white. Reclaimed water currently serves only as a back-up for the fire protection system. It is not used as a primary fire protection source because the reclaimed water system is considered an interruptible service. Valve boxes are also easily identifiable between the potable water system and reclaimed water system. (Square = Reclaimed; Round = Potable). Backflow preventers have been installed at each potable water meter service where reclaimed water is in use or readily available.

The City has established a marketing program to encourage customers to conserve reclaimed water and use it wisely. The program focuses on educating the public concerning the benefits of using reclaimed water, such as its nutrient value and its availability during drought periods.

## **STORMWATER SYSTEM**

The City owns, operates and maintains a system for the collection, transmission, treatment and disposal of stormwater runoff. The stormwater and drainage facilities in the City consist of approximately 70 miles of open ditches, 500 miles of stormwater piping, 14,000 catch basins, and 71 controlled lakes. Some of these facilities were originally constructed in 1915. Even though the facilities have received periodic maintenance, in many cases the growth of the City has far outstripped the ability of the facility to convey the runoff. Most of the facilities were constructed to provide flood protection, with stormwater quality treatment as an ancillary function. Because of the need to deal with aging infrastructure, the City initiated a neighborhood Area Improvement Plan ("AIP") in 1962, which included stormwater management. In 1977, a Master Storm Drainage Plan ("MSDP") was prepared to consider more comprehensive stormwater management planning. This plan identified \$67,900,000 (in 1977 dollars) in capital improvement projects to address drainage in the City.

The purpose of the 1977 study was to identify drainage problems and their causes and to recommend the most cost-effective corrective action. In October 1987, the City's Public Works Administration developed an updated report to the 1977 MSDP. The updated report reflects upon the 1977 priorities and costs and 1988 priorities and costs, along with the projects completed and projects to be completed with Area Improvement Program funded projects. In 1993, the Area Improvement Program was completed, and included approximately \$25 million in stormwater management improvements.

In 1991, the City applied for and received a grant from the Southwest Florida Water Management District ("SWFWMD") to prepare a comprehensive Stormwater Management Plan and make application to the EPA for the federally-mandated National Pollutant Discharge Elimination System ("NPDES") Stormwater Permit. The plan and permit were completed approximately four years later, with fifty percent of the expense (or \$500,000) paid by SWFWMD. The Stormwater Management Plan evaluated the condition of all Master Storm Drainage Systems citywide (30" diameter pipe or larger) and identified approximately 330 projects totaling \$345,400,000 (in 1995 dollars) to be implemented for flood control purposes. To date, the City has completed more than \$140 million of those projects.

Storm drainage and treatment system maintenance, street sweeping operations and management of aquatic control services are performed by the Stormwater Maintenance Section. The Stormwater Maintenance Section is a part of the Stormwater, Pavement and Traffic Operations Department, within the Public Works Administration.

The three basic components of stormwater management are management services (design, planning, enforcement, monitoring), operation and maintenance (small-scale construction and repair, cleaning), and capital improvements (major construction). Funding for the first two components are provided by stormwater management utility fees. Funding for capital improvements is derived in part from the Net Revenues of the system and from the infrastructure sales tax.

The City had chosen to pay for current capital improvements to the storm drainage system on a pay-as-you-go basis. The funding source for current capital improvement projects has been stormwater management utility fees and/or local option sales tax receipts. However, the City accelerated funding for an additional \$20 million of storm charge system projects with the proceeds of the City's Public Utility Revenue Bonds, Series 1999A.

## NATIONAL ESTUARY PROGRAM

In April of 1991 the Tampa Bay Management Conference Agreement for the Tampa Bay National Estuary Program ("NEP") was signed. The agreement provided for the participating local governments to develop a comprehensive plan to restore Tampa Bay and to provide a share of the non-federal match funding. The agreement establishes NEP as a separate entity that will: (1) coordinate the development of local government and agency action plans, (2) prepare the Program's biennial environmental monitoring report, (3) continue community outreach programs, (4) oversee the ongoing atmospheric deposition research program, (5) assist NEP members in obtaining grants to fund NEP goals, and (6) where possible, implement those aspects of NEP goals not assigned to member governments. Funding for the NEP has been modified and the City's share for fiscal year 2013 will be approximately \$33,379.

The Comprehensive Conservation and Management Plan for Tampa Bay ("CCMP") was created after five years of scientific research into Tampa Bay's most pressing problems. The CCMP initiatives include Action Plans for Water and Sediment Quality, Bay Habitats for Fish and Wildlife, Dredging, Spill Prevention and Response, and Public Education/Involvement. Based on past and current initiatives, the City is considered to have met or exceeded those goals identified in the CCMP.

## RATE STUDY

### General

In April 1997, the City authorized CH2M HILL to prepare a comprehensive water and wastewater rate analysis and rate model design for the City's water, wastewater, and reclaimed water system. CH2M HILL was assisted in this project by Burton & Associates. The purpose of the study, which was completed and presented to the City Council on November 10, 1998 (the "Rate Study") was to develop rates and fees that fairly and equitably recover the cost of providing water, wastewater, and reclaimed water service from the system's customers, and to develop a rate model for the City's use in updating these rates and fees in the future.

The City's Rate Study has been updated annually since 1998 by the City's rate consultants. The cost of service analysis was performed using an interactive computer model that simulated the financial dynamics of a water and wastewater utility customized for the specific financial policies, objectives and economic environment of the City. The model used assumptions regarding such variables as expected customer growth; the effects of growth and economic inflation on operation and maintenance ("O&M") costs, the timing of any rate increases and bond issues; average earnings rate on invested cash balances in each year; debt issuance parameters such as costs of issuance, term, and interest rate; desired levels of working capital reserves; and desired debt service coverage ratios.

In the course of the analysis, the model tested for the sufficiency of revenue to meet the following criteria:

*Coverage.* Net revenues (revenues less expenses) must be sufficient to meet the debt service coverage requirements defined in the bond covenants (plus any discretionary buffer set by City policy).

*Total funding.* Total sources of funds must be adequate to cover total uses of funds.

*Reserves.* Total sources of funds must be sufficient to maintain required reserves and any working capital reserve established by City policy.

Rates for government-owned water and wastewater utilities are set based upon the requirement of the utility for funds to pay the costs of the system. These costs fall into four major categories of expenditure:

*O&M expenses.* The annually recurring costs of labor, supplies, and minor capital items necessary for the day-to-day operation of the system and its maintenance to keep it in good working order. This is referred to as Cost of Operation and Maintenance in the Bond Resolution.

*Transfer payments to other funds.* Annually recurring payments made to other funds for services rendered, such as payments in lieu of taxes and compensation paid to other City departments for services provided to the utility by those departments.

*Major capital expenditures.* Expenditures that (a) renew, replace, or improve the existing facilities of the system or (b) add new facilities that expand the capacity of the system. These costs may be incurred either through current funding in cash or in payment of debt service on loans used to finance the expenditures. In the latter case, the system must also generate sufficient revenue to meet the debt service coverage requirements in its bond covenants.

*Reserves.* Maintenance of reserve funds established by the bond covenants at the required levels, and the establishment and maintenance of sufficient unrestricted and unreserved fund balances to meet working capital requirements and to reasonably provide for unforeseen costs.

To pay these costs, the utility has three major resources:

*Rate revenue.* Receipts from charges to users for the provision of water and wastewater utility services.

*Miscellaneous revenue.* Receipts from special charges for specific services rendered, other ongoing services and interest on investments.

*Impact fees (system development charges).* Fees charged to new customers to offset the cost of their impact on the system. Impact fees are restricted to the payment of capital costs incurred for the funding of facilities that increase the capacity of the system. The City has not established a water and wastewater utility impact fee. Impact fees are not pledged revenue to secure the Bonds.

In their simplest form, rates for any given forecast year are set as follows:

Total annual cost requirements:

Less: Miscellaneous revenue;

Less: Impact fees used to pay capital costs;

Equals: Total revenue requirements from rates;

Divided by: Current revenue generated from rates;

Equals: Proportionate (percent) increase required.

## Operation and Maintenance Expenses

O&M expenses represent the annually recurring cost of labor, materials and supplies and minor capital items required to operate the system and maintain the level of service demanded. This is referred to as Cost of Operation and Maintenance in the Bond Resolution. These expenses amount to approximately \$73.4 million in Fiscal Year 2015 for water, wastewater and the reclaimed water system.

## Transfers

The Water, Wastewater and Stormwater Systems make annual payments in lieu of taxes and payments in lieu of franchise fees to the City's general fund each year. A total of \$11.2 million is budgeted in the Water Resources Department budget for these payments in Fiscal Year 2015. In addition, there are transfers to the General Fund and the Billing & Collection internal service fund to compensate the funds for services provided by other City departments to the Water Resources Department for general administrative and billing & collection services. These transfers are budgeted to amount to over \$6.5 million in Fiscal Year 2015.

## Cost of Service Recovery

The City has adopted a cost of service recovery plan which considers level revenue increases in each fiscal year during the period to avoid a "spike" in any one year but adjusts rates on a year-by-year basis. The plan anticipates increases in rate revenues in each year of the forecast period due primarily to Tampa Bay Water cost and Capital Improvement Program ("CIP") debt service.

As part of the cost of service calculation the City has adopted changes in the wholesale rate structure which establish uniform rates for wholesale customers.

Commencing with the rates set for 2009 and going forward the City anticipated setting rates annually adjusting rates for water, wastewater, and reclaimed water separately as appropriate.

Tampa Bay Water's 2001 bond issue (see "Water System - Water Supply"), was sized to fund all projects listed, and increased the City's purchased water costs by 88% in years 2001 through 2013. The Rate Study rate model was updated to include these water cost increases.

<b>Fiscal Year</b>	<b>Cost of Water (Tampa Bay Water Only)</b>	<b>% Percent</b>
2001	\$14.3 million	13.5%
2002	16.8 million	17.5%
2003	20.0 million	19.0%
2004	20.5 million	2.5%
2005	23.5 million	14.6%
2006	21.7 million	-7.7%
2007	21.5 million	-0.9%
2008	23.4 million	8.8%
2009	24.9 million	6.4%
2010	26.8 million	7.6%
2011	24.9 million	-7.1%
2012	27.5 million	10.4%
2013	26.9 million	-2.2%
Estimated		
2014	25.5 million	-5.2%
2015	26.0 million	2.0%

The City intends to use the Rate Study model on an annual basis to evaluate the need to adjust water, sewer and reclaimed water rates by taking into consideration all fluctuations in the cost of system wide operations.

### **Wholesale Rates**

The City's existing contracts with the wholesale customers have been negotiated over a number of years. The Rate Analysts recommended that the City negotiate new contracts with its wholesale customers. The new contracts should allow for (1) a uniform rate calculation method, (2) elimination of the annual true-up credits and charges, and (3) restructuring of these rates to base all charges on a volume rate per thousand gallons of water usage or wastewater flow discharged, as appropriate. Only the contract with the City of St. Pete Beach requires annual "true-up" at the end of each fiscal year and does not use a uniform rate for capital costs.

The Cost of Service analysis is an administratively simple approach that maintains consistency and equity among customer classes without the cumbersome true-up process. A Cost of Service analysis is conducted every year to ensure Cost of Service rates are continued every year. The City recently completed its Fiscal Year 2015 rate study.

The proposed rates for the wholesale water and wastewater system users are designed to recover the estimated cost of providing service to each of these users. The cost of providing service to each of the wholesale customers was estimated based on the results of a cost allocation analysis. The cost allocation process involved three steps. First, the costs to be recovered through the wholesale and retail water and wastewater rates were first separated into water, wastewater and reclaimed system related costs. Second, the costs allocated to each system were distributed among various services or functions provided by each utility. In the third step, the costs allocated to each service or function were allocated between the retail and wholesale customers in proportion to their use of those services or functions. The out of city surcharge captures the additional costs of providing service to non-owners of the system, including but not limited to owner's risk. The proposed rates are a uniform volume rate per million gallons for all of the wholesale water and wastewater customers respectively (except St. Pete Beach).

## RATES, FEES AND CHARGES

Rates, fees and charges are adopted by ordinance and the City anticipates rates, fees and charges to be changed on a periodic basis, as appropriate. All rates, fees and charges set forth herein will be in effect on October 1, 2014. Rate increases effective in October 2014 are 4.75% for water, wastewater, and reclaimed water utilities.

### PUBLIC UTILITIES SYSTEM RATES AND CHARGES

#### WATER

#### BASE CHARGES

<u>Meter Size</u>	<u>Base Charge</u>
5/8" x 3/4" .....	\$10.61
1" .....	26.53
1 1/2" .....	53.06
2" .....	84.89
3" .....	169.78
4" .....	265.28
6" .....	530.56
8" .....	848.89
10" .....	1,220.29
12" .....	2,281.40

#### ADDITIONAL VOLUME CHARGES

##### Single Family Dwelling\*

<u>Per Unit</u>	<u>Per 1,000 gallons</u>
First 5,600 (per unit) .....	\$1.40
Next 2,400 (per unit) .....	2.38
Next 7,000 (per unit) .....	4.10
Next 5,000 (per unit) .....	6.21
Over 20,000 (per unit) .....	14.86

##### Multi-Family Dwelling Customer\*

<u>Per Unit</u> <sup>(2)</sup>	<u>Per 1,000 gallons</u>
First 5,600 (per unit) .....	\$1.40
Next 2,400 (per unit) .....	2.38
Next 7,000 (per unit) .....	4.10
Over 15,000 (per unit) .....	6.21

\* Tampa Bay Water cost is \$2.44 per 1,000 gallons included in the total water volume charge.

<sup>(1)</sup> See "FY2015 Utility Rate Study" included as APPENDIX D.

<sup>(2)</sup> Volume is divided by number of dwelling units served by the water meter for multi-family accounts.

**Commercial Customer  
Gallage Based on Monthly Average per Commercial Customer**

	<u>Per 1,000 gallons</u>
Up to the Average .....	\$1.40
Between the Average and 1.4 times the Average .....	2.80
Between 1.4 and 1.8 times the Average.....	4.10
Over 1.8 times the Average.....	5.27

Plus 10% tax within City limits for all customers.

Retail rates outside City limits for all customers are 125% of City rates.

**WATER CONNECTION CHARGES**

<u>Size of Service (in inches)</u>	<u>Effective since 10/01/12 Connection Charges</u>
5/8 or 3/4	\$ 584.00
1	787.00
1 1/2	2,425.00
2	Based on actual cost
3	Based on actual cost
4	Based on actual cost
6	Based on actual cost
8	Based on actual cost

Wholesale water customers pay a unitary rate of \$4,706 per million gallons.

**WASTEWATER CHARGES  
(per month)**

Basic charges per month as follows:

<u>Meter Size</u>	<u>Base Charge</u>
5/8"	\$12.00
1"	30.01
1 1/2"	60.02
2"	96.03
3"	192.07
4"	300.11
6"	600.22
8"	960.35
10"	1,380.50
12"	2,580.94

Volume Rate for each 1,000 gallons of water: \$4.60

No maximum for commercial, industrial or multi-family residence accounts.

Retail rates outside City limits are 125% of City rates.

Effective October 1, 2014, wholesale wastewater customers except the City of St. Pete Beach, pays a unitary rate of \$2,865 per million gallons and the 25% out of city surcharge as prior long-term contracts

expire. The City of St. Pete Beach will pay a unitary rate of \$2,058 per million gallons for operating and maintenance costs and \$49,651 per month for capital costs.

**RECLAIMED WATER CHARGE**  
**PER MONTH**  
 (Not available in all areas)

	<b>Effective 10/01/14</b>
Unmetered service	
One acre or less .....	\$19.68
Each additional acre .....	11.28
Metered service	
Per 1,000 gallons .....	\$ 0.56
(\$18.11 minimum)	

Plus 10% tax within City limits.  
 Rates outside City limits are 125% of City rates.

**STORMWATER CHARGE**  
 (Within City limits only)

Single Family Residence (10/01/08) .....\$6.84

All other properties are charged a multiple of the above rate based on the amount of each property's impervious surface.

**RETAIL UTILITY RATES**  
**LAST TEN YEARS**

<b>Date</b>	<b>Water Base</b>	<b>Water Volume</b>	<b>Wastewater Base</b>	<b>Wastewater Volume</b>	<b>Stormwater</b>
11/01/05	7.31	2.65	8.80	3.37	6.15
11/01/06	7.57	2.74	8.98	3.44	6.40
11/01/07	7.83	2.84	9.29	3.56	6.65
11/01/08	8.06	2.93	9.57	3.67	6.85
11/01/09	8.22	2.99	9.76	3.74	6.85
11/01/10	8.84	3.21	10.49	4.02	6.84
11/01/11	9.50	3.45	10.75	4.12	6.84
11/01/12	9.76	3.54	11.05	4.23	6.84
11/01/13	10.13	3.67	11.46	4.39	6.84
11/01/14	10.61	3.84	12.00	4.60	6.84

**SINGLE FAMILY RESIDENTIAL UTILITY BILLS  
(AVERAGE 4,000 GALLONS WATER USAGE PER MONTH)  
LAST TEN YEARS**

<b>Fiscal Year</b>	<b>Water</b>	<b>Wastewater</b>	<b>Stormwater</b>	<b>Total</b>
2005	17.91	22.28	6.00	46.19
2006	18.53	22.74	6.15	47.42
2007	19.19	23.53	6.40	49.12
2008	19.78	24.25	6.65	50.68
2009	20.18	24.72	6.85	51.75
2010	21.68	26.57	6.85	55.10
2011	23.30	27.23	6.84	57.37
2012	23.92	27.97	6.84	58.73
2013	24.81	29.02	6.84	60.67
2014	25.99	30.40	6.84	63.23

**MONTHLY WATER AND WASTEWATER BILL COMPARISONS <sup>(1)</sup>  
Based on Average St. Petersburg Single Family Residential Customer  
(4,000 gallons per month)**

	<b>Water</b>	<b>Wastewater</b>	<b>Total</b>
Tampa	11.28	25.20	36.48
New Port Richey	20.07	27.90	47.97
Dunedin	21.90	28.58	50.48
Port Richey	20.68	31.93	52.61
Safety Harbor	21.65	33.01	54.66
Pasco County	18.63	37.74	56.37
<b>St. Petersburg</b>	<b>25.99</b>	<b>30.40</b>	<b>56.39</b>
Hillsborough County	24.80	32.86	57.66
Pinellas County	25.47	32.64	58.11
Tarpon Springs	29.01	30.44	59.45
Clearwater	26.14	34.16	60.30
Oldsmar	28.66	32.00	60.66
Gulfport	28.59	34.87	63.46

<sup>(1)</sup> Rates used are those expected to be in effect October 1, 2014.

Source: City of St. Petersburg Water and Wastewater System Retail and Wholesale Cost of Service and Rate Study dated August 2014.

**Customer Billing Procedure**

The City's meter reading, billing, and collection functions are managed through a computerized customer information system. All retail customers' water meters are read and billed monthly along with wastewater, garbage, reclaimed water, and stormwater management fees, as applicable. Accounts become delinquent fifteen business days after billing. Customers who do not make payments within that period are mailed a delinquent notice. If payment is not received within 24 business days of the bill date, a pre-termination notice is delivered to the service location. A lock off order is generated on the 26th business day after billing if payment is still not received. If active utility service is terminated, Utility Accounts will begin billing the property owner for stormwater after 45 days. Restoration of service requires full payment of all past due charges and a deposit if one does not already exist on the account. Accounts which remain unpaid after termination of service may be forwarded to collection agencies after any deposit has been applied to the delinquent balance. For unpaid accounts which are held in the name of the owner of the property, liens are placed on the property.

As of June 30, 2014, there were 91,210 active accounts. The receivables are tracked through the City's utility billing software. Receivables through June 30, 2014 totaled \$9,633,153.30, which included, but was not limited to the aging categories below:

Over 30 days:	\$1,078,124.35	(11.19%)
Over 60 days:	\$ 146,054.76	(1.51%)
Over 90 days:	\$1,081,619.51	(11.22%)
<b>Total:</b>	<b>\$2,305,798.62</b>	

Under normal conditions, no accounts would continue to be active after 90 days as water service would have been discontinued by that time. Exceptions are limited to bankruptcy situations and past due customers who have negotiated a mutually agreeable payment plan.

The write-off of uncollectible water, wastewater, reclaimed water, and stormwater charges has averaged 0.33% of annual revenues for the last five fiscal years.

<u>12 Month Year</u>	<u>Write-off Expense</u>	<u>Billed System Revenues</u>	<u>%</u>
2014	\$384,959	\$106,196,865	0.36%
2013	\$346,466	\$104,556,706	0.33%
2012	\$347,298	\$103,907,753	0.33%
2011	\$311,211	\$99,357,529	0.31%
2010	\$308,730	\$93,748,576	0.33%
2009	\$289,516	\$94,312,498	0.31%
2008	\$224,561	\$94,017,928	0.24%
2007	\$218,976	\$93,563,233	0.23%
2006	\$183,999	\$92,640,780	0.20%
2005	\$166,986	\$87,104,689	0.19%

### CAPITAL IMPROVEMENT PROGRAM

Annually, the City adopts a Capital Improvement Program containing those projects needed to replace and upgrade components of the City's Public Utilities System and to provide for the demands to be placed upon the Public Utilities System by projected growth. The following table sets forth the City's system CIP for the fiscal years 2015-2019:

**Public Utilities System  
Capital Improvement Program  
For the Five Fiscal Years 2015 through 2019  
(in thousands)**

<u>Description</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Total<sup>(1)</sup></u>
Water, Wastewater and Reclaimed Water Systems	37,144	69,385	35,912	22,121	26,345	190,907
Stormwater System	1,679	2,000	3,840	2,700	2,850	13,069
<b>Total CIP</b>	<b>38,823</b>	<b>71,385</b>	<b>39,752</b>	<b>24,821</b>	<b>29,195</b>	<b>203,976</b>

<sup>(1)</sup> Does not include annual inflation factor.

These improvements will be funded with a combination of Additional Parity Obligations and/or Subordinated Debt in one or more Series of approximately \$163.7 million over the next five Fiscal Years,

including the 2014 Bond proceeds. The City anticipates that rate increases will be necessary during the five-year period that ends September 30, 2019, and in connection therewith, reviews rates on an annual basis using outside utility rate consultants. See "FY 2015 Utility Rate Study" included as APPENDIX D.

**Projected Breakdown of Water, Wastewater and Reclaimed Water Systems Capital Expenditures  
For the Fiscal Year 2015 – Fiscal Year 2019  
(in millions)**

Northwest WRF	\$12.620
Southwest WRF	65.012
Northeast WRF	14.290
Albert Whitted WRF	3.304
Lift Stations	12.175
Wastewater Collection and Transmission System	37.420
Water Treatment Plant and Pumping Stations*	12.754
Water Distribution System	31.702
Reclaimed Water	.625
Other (laboratory/security/buildings)	1.005
<b>Total Cost**</b>	<b><u>190.907</u></b>

\* New sources of potable water, e.g., water master plan projects, are funded through the unitary rate paid to Tampa Bay Water.

\*\* Total does not include annual inflation factor, or stormwater system improvements.

## **APPENDIX D**

### **FY 2015 Utility Rate Study**

## **APPENDIX E**

### **Composite of the Bond Resolution**

## **APPENDIX F**

### **Form of Proposed Bond Counsel Opinion**

## **APPENDIX G**

### **Form of Disclosure Dissemination Agent Agreement**

**APPENDIX F**

**FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT**

This Disclosure Dissemination Agent Agreement (the "Disclosure Agreement"), dated as of \_\_\_\_\_, 2014, is executed and delivered by City of St. Petersburg, Florida (the "Issuer") and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the "Disclosure Dissemination Agent" or "DAC") for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute "advice" within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer's behalf regarding the "issuance of municipal securities" or any "municipal financial product" as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

**SECTION 1. Definitions.** Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

"Annual Report" means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

"Annual Filing Date" means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the MSRB.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

"Audited Financial Statements" means the financial statements (if any) of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

"Bonds" means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure

Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

"Disclosure Representative" means Anne A. Fritz, Director of Finance, or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

"Disclosure Dissemination Agent" means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

"Failure to File Event" means the Issuer's failure to file an Annual Report on or before the Annual Filing Date.

"Force Majeure Event" means: (i) acts of God, war, or terrorist action; (ii) failure or shutdown of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent's reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

"Holder" means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

"Information" means, collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Notice Event" means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

"Obligated Person" means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

"Official Statement" means that Official Statement prepared by the Issuer in connection with the Bonds, as listed on Appendix A.

"Voluntary Event Disclosure" means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a

Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

"Voluntary Financial Disclosure" means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

## SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than April 30 commencing with the report for the 2014 fiscal year. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;

- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:
  - 1. "Principal and interest payment delinquencies;"
  - 2. "Non-Payment related defaults, if material;"
  - 3. "Unscheduled draws on debt service reserves reflecting financial difficulties;"
  - 4. "Unscheduled draws on credit enhancements reflecting financial difficulties;"
  - 5. "Substitution of credit or liquidity providers, or their failure to perform;"
  - 6. "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
  - 7. "Modifications to rights of securities holders, if material;"
  - 8. "Bond calls, if material;"
  - 9. "Defeasances;"
  - 10. "Release, substitution, or sale of property securing repayment of the securities, if material;"
  - 11. "Rating changes;"
  - 12. "Tender offers;"
  - 13. "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
  - 14. "Merger, consolidation, or acquisition of the obligated person, if material;" and
  - 15. "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the

filing as "Failure to provide annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:

1. "amendment to continuing disclosure undertaking;"
2. "change in obligated person;"
3. "notice to investors pursuant to bond documents;"
4. "certain communications from the Internal Revenue Service;"
5. "secondary market purchases;"
6. "bid for auction rate or other securities;"
7. "capital or other financing plan;"
8. "litigation/enforcement action;"
9. "change of tender agent, remarketing agent, or other on-going party;"
10. "derivative or other similar transaction;" and
11. "other event-based disclosures;"

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. "quarterly/monthly financial information;"
2. "change in fiscal year/timing of annual disclosure;"
3. "change in accounting standard;"
4. "interim/additional financial information/operating data;"
5. "budget;"
6. "investment/debt/financial policy;"

7. "information provided to rating agency, credit/liquidity provider or other third party;"
8. "consultant reports;" and
9. "other financial/operating data."

(viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

### SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including an update of the following financial information and operating data in the same format as in the Official Statement which are in tabular form:

1. Historical System Revenues, Expenses and Bond Service Coverage;
2. Residential and Commercial Water Consumption, Appendix C;
3. Water Revenue, Appendix C;
4. Ten Largest Retail Water Consumers, Appendix C;
5. Wholesale Water Customers, Appendix C;
6. Wholesale & Retail Wastewater Revenues, Appendix C;
7. Ten Largest Retail Wastewater Customers, Appendix C; and
8. Wholesale Wastewater Customers, Appendix C.

Relating to information to be provided to the MSRB, the information provided under Section 4(b) may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the MSRB or the Securities and

Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

(b) Audited Financial Statements prepared in accordance with generally accepted auditing standards applicable to municipalities as described in the Official Statement will be included in the Annual Report. If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with generally accepted auditing standards applicable as described in the Official Statement will be included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an "obligated person" (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

#### SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bond holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

**Note to subsection (a)(12) of this Section 4:** For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Issuer shall, in a timely manner not in excess of ten business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the

Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2 (e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

**SECTION 5. CUSIP Numbers.** Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, the Issuer shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

**SECTION 6. Additional Disclosure Obligations.** The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

**SECTION 7. Voluntary Filing.**

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure

with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(c) The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

**SECTION 8. Termination of Reporting Obligation.** The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the 2011 Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

**SECTION 9. Disclosure Dissemination Agent.** The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

**SECTION 10. Remedies in Event of Default.** In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

**SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.**

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent

the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee of the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Balance of page intentionally left blank.]

The Disclosure Dissemination Agent and the Issuer have caused this Continuing Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as  
Disclosure Dissemination Agent

By: \_\_\_\_\_  
Name: Diana O'Brian  
Title: Vice President

CITY OF ST. PETERSBURG, FLORIDA  
as Issuer

By: \_\_\_\_\_  
Name: Richard D. Kriseman  
Title: Mayor

**EXHIBIT A**

**NAME AND CUSIP NUMBERS OF BONDS**

Name of Issuer City of St. Petersburg, Florida  
Obligated Person(s) City of St. Petersburg, Florida  
Name of Bond Issue: Public Utility Revenue Bonds, Series 2014A  
Date of Issuance: \_\_\_\_\_, 2014  
Date of Official Statement \_\_\_\_\_, 2014

CUSIP Number: \_\_\_\_\_ CUSIP Number: \_\_\_\_\_  
CUSIP Number: \_\_\_\_\_ CUSIP Number: \_\_\_\_\_

Name of Issuer City of St. Petersburg, Florida  
Obligated Person(s) City of St. Petersburg, Florida  
Name of Bond Issue: Public Utility Refunding Revenue Bonds, Series 2014B  
Date of Issuance: \_\_\_\_\_, 2014  
Date of Official Statement \_\_\_\_\_, 2014

CUSIP Number: \_\_\_\_\_ CUSIP Number: \_\_\_\_\_  
CUSIP Number: \_\_\_\_\_ CUSIP Number: \_\_\_\_\_

**EXHIBIT B**

**NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT**

Issuer: City of St. Petersburg, Florida

Obligated Person: City of St. Petersburg, Florida

Name(s) of Bond Issue(s): Public Utility Revenue Bonds, Series 2014A and Public Utility Refunding Revenue Bonds, Series 2014B

Date(s) of Issuance: \_\_\_\_\_, 2014

Date(s) of Disclosure Agreement: \_\_\_\_\_, 2014

CUSIP Number: \_\_\_\_\_

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. [The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by \_\_\_\_\_.]

Dated: \_\_\_\_\_

Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent, on behalf of the Issuer

cc: Issuer  
Obligated Person

\_\_\_\_\_

**EXHIBIT C-1  
EVENT NOTICE COVER SHEET**

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

\_\_\_\_\_

Issuer's Six-Digit CUSIP Number:

\_\_\_\_\_

\_\_\_\_\_

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

\_\_\_\_\_

Number of pages attached: \_\_\_\_\_

\_\_\_\_\_ Description of Notice Events (Check One):

1. \_\_\_\_\_ "Principal and interest payment delinquencies;"
2. \_\_\_\_\_ "Non-Payment related defaults, if material;"
3. \_\_\_\_\_ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. \_\_\_\_\_ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. \_\_\_\_\_ "Substitution of credit or liquidity providers, or their failure to perform,"
6. \_\_\_\_\_ "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7. \_\_\_\_\_ "Modifications to rights of securities holders, if material;"
8. \_\_\_\_\_ "Bond calls, if material;"
9. \_\_\_\_\_ "Defeasances;"
10. \_\_\_\_\_ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. \_\_\_\_\_ "Rating changes;"
12. \_\_\_\_\_ "Tender offers;"
13. \_\_\_\_\_ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
14. \_\_\_\_\_ "Merger, consolidation, or acquisition of the obligated person, if material;" and
15. \_\_\_\_\_ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material."

\_\_\_\_\_ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

\_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Digital Assurance Certification, L.L.C.  
390 N. Orange Avenue  
Suite 1750  
Orlando, FL 32801  
407-515-1100

Date: \_\_\_\_\_

**EXHIBIT C-2**  
**VOLUNTARY EVENT DISCLOSURE COVER SHEET**

This cover sheet and accompanying "voluntary event disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of \_\_\_\_\_ between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name:

\_\_\_\_\_

Issuer's Six-Digit CUSIP Number:

\_\_\_\_\_

\_\_\_\_\_

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

\_\_\_\_\_

Number of pages attached: \_\_\_\_\_

\_\_\_\_\_ Description of Voluntary Event Disclosure (Check One):

1. \_\_\_\_\_ "amendment to continuing disclosure undertaking;"
2. \_\_\_\_\_ "change in obligated person;"
3. \_\_\_\_\_ "notice to investors pursuant to bond documents;"
4. \_\_\_\_\_ "certain communications from the Internal Revenue Service;"
5. \_\_\_\_\_ "secondary market purchases;"
6. \_\_\_\_\_ "bid for auction rate or other securities;"
7. \_\_\_\_\_ "capital or other financing plan;"
8. \_\_\_\_\_ "litigation/enforcement action;"
9. \_\_\_\_\_ "change of tender agent, remarketing agent, or other on-going party;"
10. \_\_\_\_\_ "derivative or other similar transaction;" and
11. \_\_\_\_\_ "other event-based disclosures."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

\_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Digital Assurance Certification, L.L.C.  
390 N. Orange Avenue  
Suite 1750  
Orlando, FL 32801  
407-515-1100

Date: \_\_\_\_\_

**EXHIBIT C-3  
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET**

This cover sheet and accompanying "voluntary financial disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of \_\_\_\_\_ between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name:

\_\_\_\_\_  
Issuer's Six-Digit CUSIP Number:

\_\_\_\_\_  
\_\_\_\_\_

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

\_\_\_\_\_  
Number of pages attached: \_\_\_\_\_

\_\_\_\_\_ Description of Voluntary Financial Disclosure (Check One):

1. \_\_\_\_\_ "quarterly/monthly financial information;"
2. \_\_\_\_\_ "change in fiscal year/timing of annual disclosure;"
3. \_\_\_\_\_ "change in accounting standard;"
4. \_\_\_\_\_ "interim/additional financial information/operating data;"
5. \_\_\_\_\_ "budget"
6. \_\_\_\_\_ "investment/debt/financial policy;"
7. \_\_\_\_\_ "information provided to rating agency, credit/liquidity provider or other third party;"
8. \_\_\_\_\_ "consultant reports;" and
9. \_\_\_\_\_ "other financial/operating data."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

\_\_\_\_\_  
Name: \_\_\_\_\_ Title: \_\_\_\_\_

Digital Assurance Certification, L.L.C.  
390 N. Orange Avenue  
Suite 1750  
Orlando, FL 32801  
407-515-1100

Date: \_\_\_\_\_

## BOND REGISTRAR AND PAYING AGENT AGREEMENT

THIS BOND REGISTRAR AND PAYING AGENT AGREEMENT, dated as of \_\_\_\_\_, 2014, by and between the CITY OF ST. PETERSBURG, FLORIDA (the "Issuer") and U.S. Bank National Association, a national banking association organized under the laws of the United States of America, with a designated corporate trust office in Orlando, Florida (the "Bank").

### WITNESSETH:

WHEREAS, the Issuer, by the Resolution (as hereinafter defined), has designated the Bank as Bond Registrar and Paying Agent for its \$\_\_\_\_\_ City of St. Petersburg, Florida Public Utility Revenue Bonds, Series 2014A (the "Series 2014A Bonds") and its \$\_\_\_\_\_ City of St. Petersburg, Florida Public Utility Refunding Revenue Bonds, Series 2014B (the "Series 2014B Bonds" and together with the Series 2014A Bonds, the "Series 2014 Bonds"); and

WHEREAS, the Issuer and the Bank desire to set forth the Bank's duties as Bond Registrar and Paying Agent and the compensation to be paid the Bank for its services.

NOW, THEREFORE, it is agreed by the parties hereto as follows:

Section 1. Duties. The Bank agrees to serve as Bond Registrar and Paying Agent for the Series 2014 Bonds and to perform the duties of Bond Registrar and Paying Agent as specified in or contemplated by Resolution No. 99-227 adopted by the City Council of the Issuer on April 22, 1999, as amended and supplemented from time to time, as particularly amended by Resolution No. 2005-559 adopted by the City Council of the Issuer on October 20, 2005, Resolution No. 2008-256 adopted by the City Council of the Issuer on May 15, 2008, and Resolution No. 2013-400 adopted by the City Council of the Issuer on October 3, 2013, and as particularly supplemented by Resolution No. 2014-\_\_\_ adopted by the City Council of the Issuer on \_\_\_\_\_, 2014 (collectively, the "Resolution"), relating to the issuance of the Series 2014 Bonds.

Section 2. Deposit of Funds. The Issuer shall deposit or cause to be deposited with the Bank sufficient funds from the funds pledged for the payment of the Series 2014 Bonds under the Resolution to pay when due and payable the principal of, premium, if any, and interest on the Series 2014 Bonds.

Section 3. Use of Funds; Canceled Series 2014 Bonds. The Bank shall use the funds received from the Issuer pursuant to Section 2 of this Agreement to pay the principal of, premium, if any, and interest on the Series 2014 Bonds in accordance with the Resolution. The Bank shall destroy canceled Series 2014 Bonds and transmit to the Issuer a certificate of destruction therefor.

Section 4. Statements. The Bank shall prepare and shall send to the Issuer upon request written statements of account relating to all transactions effected by the Bank pursuant to this Agreement.

Section 5. Obligation to Act. The Bank shall be obligated to act only in accordance with the Resolution and any written instructions received in accordance therewith; provided, however, that the Bank is authorized hereby to comply with any orders, judgments, or decrees of any court with or without jurisdiction and shall not be liable as a result of its compliance with the same.

Section 6. Reliance by Bank. The Bank may rely absolutely upon the genuineness and authorization of the signature and purported signature of any party upon any instruction, notice, release, request, affidavit, or other document delivered to it purportedly pursuant to the Resolution.

Section 7. Indemnity. To the extent permitted by law and without waiving sovereign immunity, the Issuer hereby agrees to indemnify the Bank and hold it harmless from any and all claims, liabilities, losses, action, suits, or character or nature, which it may incur or with which it may be threatened by reason of its acting as Paying Agent or Bond Registrar under the Resolution, unless caused by its misconduct or negligence; and in connection therewith, to indemnify the Bank against any and all expenses, including attorneys' fees and the costs of defending an action, suit, or proceeding, or resisting any claim whether or not such claim is actually filed. The Issuer's obligations hereunder shall survive any termination of this Agreement.

Section 8. Counsel; Limited Liability. The Bank may consult with counsel of its own choice and shall have sole and complete authorization and protection for any action taken or suffered by it under the Resolution in good faith. The Bank shall otherwise not be liable for any mistakes of fact or errors of judgment, or for any acts or omissions of any kind unless caused by its misconduct or negligence.

Section 9. Fees and Expenses. In consideration of the services rendered by the Bank as Bond Registrar and Paying Agent, the Issuer agrees to and shall pay to the Bank its proper fees and all expenses, charges, attorney's fees, and other disbursements incurred by it or its attorneys, agents, and employees in and about the performance of its powers and duties as Bond Registrar and Paying Agent as set forth in the attached Exhibit A. The Bank shall not be obligated to allow and credit interest upon any unclaimed moneys in respect of principal, interest or premium, if any, due in respect of the Series 2014 Bonds, which it shall at any time receive under any of the provisions of the Resolution or this Agreement. In the event this Agreement is terminated pursuant to Section 11 below during an annual period, the Bank shall refund to the Issuer the pro rata portion of fees which were unearned based on the effective date of such termination.

Section 10. Furnishing Information; Authorization. The Bank shall at all times, when requested to do so by the Issuer, furnish full and complete information pertaining to its functions as the Bond Registrar and Paying Agent with regard to the Series 2014 Bonds, and shall without further authorization, execute all necessary and proper deposit slips, checks, certificates and other documents with reference thereto.

Section 11. Cancellation; Termination. Either of the parties hereto, at its option, may cancel this Agreement after giving thirty (30) days written notice to the other party of its intention to cancel, and this Agreement may be canceled at any time by mutual consent of the parties hereto. This Agreement shall terminate without further action upon final payment of the Series 2014 Bonds and the interest appertaining thereto. If any Series 2014 Bond shall not be presented for payment within the period of three years following the date when such Series 2014 Bond becomes due, whether by maturity or otherwise, the Paying Agent shall return to the Issuer the funds theretofore held by it for payment of such Series 2014 Bond and such Series 2014 Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Issuer.

Section 12. Surrender of Funds, Registration Records; Notification of Series 2014 Bondholders. In the event of a cancellation of this Agreement, the Issuer shall deliver releases to the Bank (in a form acceptable to the Bank) upon demand and the Bank shall thereafter upon demand pay over the funds on deposit with the Bank as Bond Registrar and Paying Agent in connection with the Series 2014 Bonds and surrender all registration books and related records, and the Issuer may appoint and name a successor to act as Bond Registrar and Paying Agent of the Series 2014 Bonds. The Issuer shall, in such event, at its expense, notify all holders of the Series 2014 Bonds of the appointment and name of the successor, by providing notice in the manner required for the redemption of the Series 2014 Bonds.

Section 13. Non-assignability. This Agreement shall not be assigned by either party without the written consent of the other party.

Section 14. Modification. No modification of this Agreement shall be valid unless made by a written agreement, executed and approved by the parties hereto.

Section 15. Severability. Should any section or part of this Agreement be declared void, invalid, or unenforceable by any court of law for any reason, such determination shall not render void, invalid, or unenforceable any other section or other part of any section of this Agreement.

Section 16. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida.

Section 17. Merger or Consolidation of the Bank. Any corporation into which the Bank may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Bank shall be a party, shall be the successor Bond Registrar and Paying Agent under this Agreement, without the execution or filing of any paper or any further act on the part of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers and their official seals to be hereunto affixed and attested as of the date first above written.

CITY OF ST. PETERSBURG, FLORIDA

(SEAL)

By: \_\_\_\_\_

Name: Richard D. Kriseman

Title: Mayor

ATTEST:

By: \_\_\_\_\_

Name: Chan Srinivasa

Title: City Clerk

Approved as to form and  
correctness:

By: \_\_\_\_\_

Name: Jacqueline M. Kovilaritch

Title: Assistant City Attorney

U.S. BANK NATIONAL ASSOCIATION

By: \_\_\_\_\_

Name: Leanne M. Duffy

Title: Assistant Vice President

## **EXHIBIT A**

Fee for services as Bond Registrar and Paying Agent will be a one-time fee of \$4,500 per series on bonds, for a total of \$9,000, together with reimbursement of out-of-pocket expenses actually incurred.

## ESCROW DEPOSIT AGREEMENT

THIS ESCROW DEPOSIT AGREEMENT, dated as of \_\_\_\_\_, 2014, by and between the CITY OF ST. PETERSBURG, FLORIDA (the "Issuer"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States of America, as Escrow Agent, and its successors and assigns (the "Escrow Agent");

### WITNESSETH:

WHEREAS, the Issuer previously issued its Public Utility Revenue Bonds, Series 2005 (the "2005 Bonds"); and

WHEREAS, the Issuer now desires to advance refund **[a portion of]** the 2005 Bonds which mature on and after October 1, 2016 (the "Refunded Bonds"); and

WHEREAS, the execution of this Escrow Deposit Agreement and full performance of the provisions hereof shall defease and discharge the Issuer's obligations relating to the Refunded Bonds;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Issuer and the Escrow Agent agree as follows:

SECTION 1. Definitions. As used herein, the following terms mean:

- (a) "Agreement" means this Escrow Deposit Agreement.
- (b) "Bonds" means the \$\_\_\_\_\_ City of St. Petersburg, Florida, Public Utility Refunding Revenue Bonds, Series 2014B, issued under the Bond Resolution.
- (c) "Bond Counsel" means Bryant Miller Olive P.A., or any other law firm nationally-recognized in the area of public finance.
- (d) "Bond Resolution" shall mean Resolution No. 99-227 adopted by the City Council of the Issuer on April 22, 1999, as amended and supplemented from time to time, as particularly amended by Resolution No. 2005-559 adopted by the City Council of the Issuer on October 20, 2005, Resolution No. 2008-256 adopted by the City Council of the Issuer on May 15, 2008, and Resolution No. 2013-400 adopted by the City Council of the Issuer on October 3, 2013, and as particularly supplemented by Resolution No 2014-\_\_\_ adopted by the City Council of the Issuer on \_\_\_\_\_, 2014.
- (e) "Escrow Account" means the account hereby created and entitled Escrow Account established and held by the Escrow Agent pursuant to this Agreement in which cash

and investments will be held for payment of the principal, interest, and redemption premium, if any, on the Refunded Bonds.

(f) "Federal Securities" shall have the same meaning ascribed thereto in the Bond Resolution.

(g) "Issuer" means the City of St. Petersburg, Florida, and its successors and assigns.

(h) "Refunded Bonds" has the meaning ascribed above.

(i) "Total Debt Service for the Refunded Bonds" means the sum of the principal of, redemption premium, if any, and interest remaining unpaid with respect to the Refunded Bonds in accordance with Schedule A attached hereto assuming the Refunded Bonds are called for early redemption on October 1, 2015.

SECTION 2. Deposit of Funds. The Issuer hereby deposits \$\_\_\_\_\_ with the Escrow Agent for deposit into the Escrow Account, in immediately available funds, which funds the Escrow Agent acknowledges receipt of, to be held in irrevocable escrow by the Escrow Agent separate and apart from other funds of the Escrow Agent and applied solely as provided in this Agreement. An amount equal to \$\_\_\_\_\_ of such funds are being derived from proceeds of the Bonds. An amount equal to \$\_\_\_\_\_ of such funds are being derived from the Debt Service Fund (as that term is defined in the Bond Resolution). The Issuer represents that the Federal Securities, the interest to be earned thereon, and the cash deposited to the Escrow Account (i) are at least equal to the Total Debt Service for the Refunded Bonds as of the date of such deposit, and (ii) are sufficient to pay principal, interest and redemption premium on the Refunded Bonds as they become due and payable in accordance with Schedule A attached hereto.

SECTION 3. Use and Investment of Funds. The Escrow Agent acknowledges receipt of the sum described in Section 2 and agrees:

(a) to hold the funds and investments purchased pursuant to this Agreement in irrevocable escrow during the term of this Agreement for the sole benefit of the holders of the Refunded Bonds;

(b) to immediately invest \$\_\_\_\_\_ of such funds derived from the proceeds of the Bonds and other legally available funds of the Issuer in the Federal Securities set forth on Schedule C-1 attached hereto and to hold such securities and \$\_\_\_\_\_ of such funds in cash in accordance with the terms of this Agreement;

(c) in the event the securities described on Schedule C cannot be purchased, substitute securities may be purchased with the consent of the Issuer but only upon receipt of verification from an independent certified public accountant that the Federal Securities, the

interest to be earned thereon, and the cash deposited in the Escrow Account will not be less than the Total Debt Service for the Refunded Bonds, and only upon receipt of an opinion of Bond Counsel that such securities constitute Federal Securities for purposes of this Agreement;

(d) there will be no investment or reinvestment of funds except as set forth in this Section 3 and except as set forth in Section 5; and

(e) the Issuer acknowledges that to the extent the regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Issuer the right to receive individual confirmations of security transactions at no additional cost, as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Agent will furnish the Issuer periodic cash transaction statements that include detail for all investment transactions made by the Escrow Agent hereunder.

#### SECTION 4. Payment of Bonds and Expenses.

(a) Refunded Bonds. On the dates and in the amounts set forth on Schedule A, the Escrow Agent shall transfer to The Bank of New York Mellon Trust Company, N.A., as successor to J.P. Morgan Trust Company, N.A., the Paying Agent for the Refunded Bonds (the "Paying Agent"), in immediately available funds solely from amounts available in the Escrow Account, a sum sufficient to pay the principal of, interest on and redemption premium, if applicable, on the Refunded Bonds, as shown on Schedule A.

(b) Expenses. The Issuer shall pay the fees and expenses of the Escrow Agent as set forth on Schedule B attached hereto.

(c) Surplus. After making the payments from the Escrow Account described in Subsections 4(a) and (b) above, the Escrow Agent shall retain in the Escrow Account any remaining cash in the Escrow Account in excess of the Total Debt Service for the Refunded Bonds until the termination of this Agreement pursuant to the terms of Section 13 hereof, and shall then pay any remaining funds to the Issuer.

(d) Priority of Payments. The holders of the Refunded Bonds shall have an express first priority security interest in the funds and Federal Securities in the Escrow Account until such funds and Federal Securities are used and applied as provided in this Agreement.

#### SECTION 5. Reinvestment.

(a) Except as provided in Section 3 and in this Section 5, the Escrow Agent shall have no power or duty to invest any funds held under this Agreement or to sell, transfer or otherwise dispose of or make substitutions of the Federal Securities held hereunder.

(b) At the written request of the Issuer and upon compliance with the conditions hereinafter stated, the Escrow Agent shall sell, transfer or otherwise dispose of any of the Federal Securities acquired hereunder and shall substitute other Federal Securities and reinvest any excess receipts in Federal Securities. The Issuer will not request the Escrow Agent to exercise any of the powers described in the preceding sentence in any manner which will cause interest on the Bonds to be included in the gross income of the holders thereof for purposes of Federal income taxation. The transactions may be effected only if (i) an independent certified public accountant selected by the Issuer shall certify or opine in writing to the Issuer and the Escrow Agent that Federal Securities, interest to be earned thereon, and cash remaining on hand after the transactions are completed will, assuming no reinvestment or any earnings, be not less than the Total Debt Service for the Refunded Bonds, and that reinvestment in such Federal Securities will not postpone the anticipated transfer of moneys from the Escrow Account to the Paying Agent pursuant to Section 4(a) hereof, and (ii) the Escrow Agent shall receive an opinion from a nationally recognized bond counsel acceptable to the Issuer to the effect that the transactions, in and by themselves, will not cause interest on such Bonds or the Refunded Bonds to be included in the gross income of the holders thereof for purposes of Federal income taxation and such substitution is in compliance with this Agreement. Subsection 4(c) above notwithstanding, cash in excess of the Total Debt Service for the Refunded Bonds caused by substitution of Federal Securities shall, as soon as practical, be paid to the Issuer. Notwithstanding any provision of this Agreement to the contrary, no forward purchase agreement relating to the future reinvestment of cash held hereunder shall be executed unless the following condition is met: to the extent either Moody's Investors Service, Inc., Fitch Ratings, and/or Standard & Poor's Ratings Services have an outstanding rating on the Refunded Bonds, at least one of such rating agencies must give written confirmation that it will not lower or withdraw the rating as a result of the Issuer's execution of such forward purchase agreement. In the event of any inconsistency between the terms and conditions of such forward purchase agreement and this Agreement, the terms and conditions of this Agreement shall control.

SECTION 6. Redemption or Acceleration of Maturity. The Issuer will not accelerate the maturity of, or exercise any option to redeem before maturity, any Refunded Bonds, except as set forth on Schedule A attached hereto.

SECTION 7. Indemnity. To the extent permitted by law and without waiving sovereign immunity, the Issuer hereby assumes liability for, and hereby agrees to indemnify, protect, save and keep harmless, the Escrow Agent and its respective successors, assigns, agents and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against at any time, the Escrow Agent (whether or not also indemnified against the same by the Issuer or any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Agreement, the establishment of the Escrow Account established hereunder, the acceptance of the funds and securities deposited therein, the purchase of the Federal Securities, the retention of the Federal Securities

or the proceeds thereof and any payment, transfer or other application of funds or securities by the Escrow Agent in accordance with the provisions of this Agreement; provided, however, that the Issuer shall not be required to indemnify the Escrow Agent against its own negligence or willful misconduct. In no event shall the Issuer be liable to any person by reason of the transactions contemplated hereby other than to the Escrow Agent as set forth in this Section. The indemnities contained in this Section shall survive the termination of this Agreement. The Escrow Agent shall not be liable for any deficiencies in the amounts necessary to pay the Total Debt Service for the Refunded Bonds. Furthermore, the Escrow Agent shall not be liable for the accuracy of the calculation as to the sufficiency of moneys and the principal amount of Federal Securities and the earnings thereon to pay the Total Debt Service for the Refunded Bonds.

SECTION 8. Responsibilities of Escrow Agent. The Escrow Agent and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Account, the acceptance of the funds deposited therein, the purchase of the Federal Securities, the retention of the Federal Securities or the proceeds thereof or for any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Agreement or by reason of any non-negligent or non-willful act, omission or error of the Escrow Agent made in good faith in the conduct of its duties. The Escrow Agent shall, however, be responsible for its negligent or willful failure to comply with its duties required hereunder, and its negligent or willful acts, omissions or errors hereunder. The duties and obligations of the Escrow Agent may be determined by the express provisions of this Agreement. The Escrow Agent may consult with counsel, who may or may not be counsel to the Issuer, at the Issuer's expense, and in reliance upon the opinion of such counsel, shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the Issuer.

SECTION 9. Resignation of Escrow Agent. The Escrow Agent may resign and thereby become discharged from the duties and obligations hereby created, by notice in writing given to the Issuer, any rating agency then providing a rating on either the Refunded Bonds or the Bonds, and the Paying Agent for the Refunded Bonds not less than sixty (60) days before such resignation shall take effect. Such resignation shall not take effect until the appointment of a new Escrow Agent hereunder.

SECTION 10. Removal of Escrow Agent.

(a) The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing, executed by the holders of not less than fifty-one percentum (51%) in aggregate principal amount of the Refunded Bonds then outstanding, such instruments to be filed with the Issuer, and notice in writing given by such holders to the original purchaser or

purchasers of the Bonds and published by the Issuer once in a newspaper of general circulation in the territorial limits of the Issuer, and in a daily newspaper or financial journal of general circulation in the City of New York, New York, not less than sixty (60) days before such removal is to take effect as stated in said instrument or instruments. A photographic copy of any instrument filed with the Issuer under the provisions of this paragraph shall be delivered by the Issuer to the Escrow Agent.

(b) The Escrow Agent may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provisions of this Agreement with respect to the duties and obligations of the Escrow Agent by any court of competent jurisdiction upon the application of the Issuer or the holders of not less than five percentum (5%) in aggregate principal amount of the Bonds then outstanding, or the holders of not less than five percentum (5%) in aggregate principal amount of the Refunded Bonds then outstanding.

(c) The Escrow Agent may not be removed until a successor Escrow Agent has been appointed in the manner set forth herein.

#### SECTION 11. Successor Escrow Agent.

(a) If, at any time hereafter, the Escrow Agent shall resign, be removed, be dissolved or otherwise become incapable of acting, or shall be taken over by any governmental official, agency, department or board, the position of Escrow Agent shall thereupon become vacant. If the position of Escrow Agent shall become vacant for any of the foregoing reasons or for any other reason, the Issuer shall immediately appoint an Escrow Agent to fill such vacancy and, upon such appointment, all assets held hereunder shall be transferred to such successor. The Issuer shall either (i) publish notice of any such appointment made by it once in each week for four (4) successive weeks in a newspaper of general circulation published in the territorial limits of the Issuer and in a daily newspaper or financial journal of general circulation in the City of New York, New York, or (ii) mail a notice of any such appointment made by it to the holders of the Refunded Bonds within thirty (30) days after such appointment.

(b) At any time within one year after such vacancy shall have occurred, the holders of a majority in principal amount of the Bonds then outstanding or a majority in principal amount of the Refunded Bonds then outstanding, by an instrument or concurrent instruments in writing, executed by either group of such bondholders and filed with the governing body of the Issuer, may appoint a successor Escrow Agent, which shall supersede any Escrow Agent theretofore appointed by the Issuer. Photographic copies of each such instrument shall be delivered promptly by the Issuer, to the predecessor Escrow Agent and to the Escrow Agent so appointed by the Bondholders. In the case of conflicting appointments made by the Bondholders under this paragraph, the first effective appointment made during the one year period shall govern.

(c) If no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this Section, the holder of any Refunded Bonds then outstanding, or any retiring Escrow Agent, may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Escrow Agent.

(d) Any corporation or association into which the Escrow Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor Escrow Agent hereunder and vested with all the trust, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any parties hereto, anything herein to the contrary notwithstanding, provided such successor shall have reported total capital and surplus in excess of \$15,000,000, provided that such successor Escrow Agent assumes in writing all the trust, duties and responsibilities of the Escrow Agent hereunder.

SECTION 12. Payment to Escrow Agent. The Escrow Agent hereby acknowledges that it has agreed to accept compensation under the Agreement pursuant to the terms of Schedule B attached hereto for services to be performed by the Escrow Agent pursuant to this Agreement. The Escrow Agent shall not be compensated from amounts on deposit in the Escrow Account, and the Escrow Agent shall have no lien or claim against funds in the Escrow Account for payment of obligations due it under this Section.

SECTION 13. Term. This Agreement shall commence upon its execution and delivery and shall terminate when the Refunded Bonds have been paid and discharged in accordance with the proceedings authorizing the Refunded Bonds, except as provided in Section 8.

SECTION 14. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Issuer or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, notice of such event shall be sent to the municipal bond insurer(s) for the Refunded Bonds, if any, as well as Moody's Investors Service, Inc., Fitch Ratings and Standard & Poor's Ratings Services (but only to the extent such agencies have a rating outstanding on any of the Refunded Bonds), and while such covenant or agreements herein contained shall be null and void, they shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 15. Amendments to this Agreement. This Agreement is made for the benefit of the Issuer and the holders from time to time of the Refunded Bonds and the Bonds and it shall not be repealed, revoked, altered or amended in whole or in part without the written consent of all holders of Refunded Bonds, the Escrow Agent and the Issuer; provided, however, that the Issuer and the Escrow Agent may, without the consent of, or notice to, such holders,

enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant to, or confer upon, the Escrow Agent, for the benefit of the holders of the Bonds and the Refunded Bonds any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and
- (c) to subject to this Agreement additional funds, securities or properties.

The Escrow Agent shall, at its option, be entitled to request, at the Issuer's expense, and rely exclusively upon an opinion of nationally recognized attorneys on the subject of municipal bonds acceptable to the Issuer with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Refunded Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section. Prior written notice of such amendments, together with proposed copies of such amendments, shall be provided to Moody's Investors Service, Inc., Fitch Ratings, and Standard & Poor's Ratings Services (but only to the extent such agencies have a rating outstanding on any of the Refunded Bonds).

SECTION 16. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

SECTION 17. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Florida.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers and their corporate seals to be hereunto affixed and attested as of the date first above written.

CITY OF ST. PETERSBURG, FLORIDA

(SEAL)

By: \_\_\_\_\_

Name: Richard D. Kriseman

Title: Mayor

ATTEST:

By: \_\_\_\_\_

Name: Chan Srinivasa

Title: City Clerk

Approved as to form and  
correctness:

By: \_\_\_\_\_

Name: Jacqueline M. Kovilaritch

Title: Assistant City Attorney

[Signature page to Escrow Deposit Agreement between  
City of St. Petersburg, Florida and U.S. Bank National Association]

U.S. BANK NATIONAL ASSOCIATION, as  
Escrow Agent

By: \_\_\_\_\_

Name: Leanne M. Duffy

Title: Assistant Vice President

[Signature page to Escrow Deposit Agreement between  
City of St. Petersburg, Florida and U.S. Bank National Association]

SCHEDULE A

TOTAL DEBT SERVICE  
FOR THE REFUNDED BONDS

<u>Date</u>	<u>Principal Redeemed</u>	<u>Interest</u>	<u>Total Debt Service</u>
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SCHEDULE B

EXPENSES TO BE PAID TO ESCROW AGENT

Upfront fee of \$750, plus out of pocket expenses

SCHEDULE C

SCHEDULE OF FEDERAL SECURITIES  
TO BE PURCHASED ON \_\_\_\_\_, 2014

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Type</u>
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