Office of Community Investment & Infrastructure

Approval of Refunding Bonds 2017D & 2017E

June 20, 2017

OCII

Proposed Action

Resolution 24-2017 authorizes issuance of 2017D & 2017E

- Authorizes issuance of $158M 2017D Bonds
- Authorizes issuance of $27M 2017E Bonds
- Approves First Supplemental Indenture of Trust, Approves Bond Purchase Agreement, & Redemption Agreements
- Affirms selection of Underwriters

OCII Credits

The credit is the revenue stream the issuer uses to pay debt service

- 2017D & 2017E will be issued using RPTTF credit
- 2017D & 2017E will be issued on par with 2014 bonds, also issued against RPTTF credit

Estimated Sources & Uses

Sources of Funds		2017D		2017E
Par Amount	$	122,855,000	$	21,270,000
Net Premium / Discount			$	2,235,420
Other Sources of Funds				
Prior Debt Service Reserve	$	10,022,500	$	2,224,500
Total Sources	**$**	**132,877,500**	**$**	**25,729,920**

Uses of Funds		2017D		2017E
Refunding Escrow Deposits				
SLGS Purchases	$	131,842,402	$	25,520,412
Cash Deposit	$	1	$	0
Delivery Date Expenses				
Cost of Issuance	$	383,589	$	66,411
Underwriter's Discount	$	448,421	$	105,287
Reserve Surety (2.15%)	$	202,302	$	35,025
Additional Proceeds	$	785	$	2,785
Total Uses	**$**	**132,877,500**	**$**	**25,729,920**

Authorizing Parameters

Bond Series	Bond Type	Tax Status	Max Amount	True Interest Cost	Underwriter's Discount
2017D	Refunding	Taxable	$158M	8%	0.5%
2017E	Refunding	Tax-Exempt	$27M	8%	0.5%

2017D Taxable

- **Expected Amount** – $123M
- **Refunding Candidates -** 2009A, 2009B, 2010A & 2011A
- **Tax Status**-Taxable
- **Use of Proceeds** - Reduce debt service costs, increase tax increment available to fund enforceable obligations, preserve funding for existing enforceable obligations
- **Estimated NPV Savings** – $11.8 million or 10.3% or refunded principal

2017E Tax-Exempt

- **Expected Par Amount -** $23M
- **Refunding Candidates -** 2009F & 2011B
- **Tax Status** – Tax-Exempt
- **Use of Proceeds -** Reduce debt service costs and increase tax increment available to fund enforceable obligations
- **Estimated NPV Savings** – $2.6 million or 11.6% of refunded principal

Financing Team

Role	Team
Municipal Advisor	CSG Advisors
Bond Counsel	Jones Hall
Disclosure Counsel	Alex Chiu
Fiscal Consultant	Urban Analytics
Underwriters	Piper Jaffray, Stifel Nicolaus

Next Steps

Date	Action
July 2017	Oversight Board consideration
July 2017	Department of Finance review
September 2017	Commission consideration of Preliminary Official Statement
September 2017	Financing Authority consideration of Preliminary Official Statement
October 2017	Bond Pricing
November 2017	Bond Closing

Recommendation

Staff recommends the Commission approve Resolution 24-2017 in support of refunding bonds 2017D and 2017E to reduce debt service costs and to increase tax increment available to fund enforceable obligations

THANK YOU

OCII