

2018 Financing

The financing consists of two parts as follows:

Approximately \$40 million General Obligation Refunding Bonds

- Refinances Series 2007A Bonds
- Projected savings from lower interest rate is \$7 million, with a net present value of \$5.5 million
- The net present value savings as a percentage of the principal amount of bonds being refunded is approximately 11.8%, indicated a very efficient refinancing transaction
- True Interest Cost is approximately 3.18%
- Savings will remain in the Bond Reserve Fund to be used for any future voted bond issue
- principal and interest payments will be over the same period as the outstanding bonds, through 2033.

Approximately \$40 million General Obligation Warrants

Warrant issue will provide capital funds for the following projects:

Bus Rapid Transit Grant Match	\$20,000,000
BRT Additional	1,750,000
Landfill Cell	7,500,000
Industrial/Tech Park	4,600,000
Legion Field Improvements	2,250,000
Boutwell Improvements	750,000
Central Library Stairs	1,500,000
Wylam Library Additional Funds	800,000
Crossplex Courts	600,000
Total	\$39,750,000

- The Warrants will be repaid over 25 years.
- Principal and interest payments will be approximately \$1.4 million in 2019 and \$2.4 million through 2043 and will be paid from the General Fund. \$2 million was budgeted for 2019 for this anticipated issue.
- Anticipated interest rate is approximately 3.68%.
- This borrowing should have no effect on the City's credit rating as the agencies are expecting it.

The financing team consists of:

Underwriters: Loop Capital Markets, Blaylock Van, Wells Fargo Securities and Securities Capital Corporation

Bond Counsel: Maynard, Cooper & Gale

Issuer's Counsel: Yvonne Green Davis

Minority participation is approximately 75%

Description of Projects to be Financed

BRT Grant match - \$20M The city council last year approved the grant agreement with FTA for the \$40M Bus Rapid Transit. The grant requires \$20M local match (50/50 match)

BRT additional cost – \$1.75M

- Downtown Center Median guideway

- CrossPlex Guideway realignment

- Woodlawn property acquisition

- Traffic Signal priority and Preemption System

- Street widening and sidewalk improvements

Industrial Park – \$4.6M The City council approved the agreement with US Steel to develop the Business/Tech Park next to Barber Motor Sports and received property for the Southern Museum of Flight (Economic Development)

Legion Field – \$2.8M

- Replace the field turf

- Repairs to the Light Towers

- Install a new Scoreboard at North end zone

- Seating repairs and replacement

- Security upgrades and barriers at entry points

Boutwell – \$1M

- ADA upgrades

Flooring replacement

Painting

Seating repairs and replacement

Central Library Stairs – \$1.5M Replace in inoperable escalators

Wylam Library - \$800K additional funding for the Construction of a new Library to replace the existing Library. Total cost of project \$1.5M