Downtown Savannah Authority
PO Box 1027
Savannah, GA 31410

March 4, 2019

Rob Hernandez, City Manager
City of Savannah
PO Box 1027
Savannah, GA 31402

Dear Mr. Hernandez:

The Downtown Savannah Authority has received a request for assistance from the City of Savannah to issue bonds to: 1) refinance all currently outstanding amounts of the Downtown Savannah Authority, Series 2009B bonds, and 2) pay all costs of issuance related to the bonds.

As in prior issues, the City will enter into an intergovernmental contract with the Authority that will unconditionally obligate the City to repayment of all principal and interest on the bonds and accept full responsibility for all maintenance of the project.

Accordingly the Authority hereby makes application to the City Council for approval to assist the City as requested, and provide its express approval for the issuance of bonds.

Pursuant to GA. Laws 1981, page 4041, this application must be considered in two separate readings by City Council (separated by at least seven days) before express consent can be given. Notice of this application and the hearings must be advertised not more than ten nor less than three business days prior to the first reading.

Sincerely,

David F. Maxwell
Secretary-Treasurer
Downtown Savannah Authority

cc: Luciana Spracher, Clerk of Council

CITY OF Savannah

February 26, 2019

David F. Maxwell, Secretary-Treasurer
Downtown Savannah Authority
PO Box 1027
Savannah, GA 31410

Dear Mr. Maxwell:

The City of Savannah respectfully requests the assistance of the Downtown Savannah Authority through the issuance of bonds to provide funding for the refinancing of currently outstanding principal amounts related to the Downtown Savannah Authority Refunding and Improvement Revenue Bonds, Series 2009B (Taxable).

Sincerely,

Roberto Hernandez
City Manager

Downtown Savannah Authority, Georgia
Approx. $8,600,000 Refunding Revenue Bond (City of Savannah Project), Series 2019

Preliminary Financing Schedule

February						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

March						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

April						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

Date	Action Item	Responsibility
	Week of February 18th	
Monday, February 18th	▪ Holiday: President's Day	-
Thursday, February 21st	▪ Distribute draft Request for Offers (RFO)	FA
	Week of February 25th	
Wednesday, February 27th	▪ Comments due on draft RFO	ALL
Thursday, February 28th	▪ Distribute first draft Bond Resolution and Intergovernmental Contract (IGA)	BC
	Week of March 4th	
Monday, March 4th	▪ Comments due on first draft of Bond Resolution & IGA	ALL
Tuesday, March 5th	▪ RFO sent to prospective bank bidders	FA
Thursday, March 7th	▪ Distribute revised drafts of Bond Resolution & IGA	BC
Friday, March 8th	▪ **Publish Notice of DSA Application (3-10 business days before 1st reading of DSA Application)**	**BC, City**
	Week of March 11th	
March 12, 2019	▪ Conditional Call notice distributed to paying agent	BC
Thursday, March 14th	▪ **City Council Meeting for First Reading of DSA Application** ▪ Questions from Banks related to RFO due	**CC** FA
Friday, March 15th	▪ **Notice of Intent to Issue Bonds (at least 10 days before approval of Bonds)**	**BC, City**
	Week of March 18th	
Thursday, March 21st	▪ **RFO Bids Due (1:00 pm)**	**City, BC, FA**
Friday, March 22nd	▪ Conditional Call notice distributed to bond holders	BC
	Week of March 25th	
Monday, March 25th	▪ Review and discuss submitted bids	City, BC, FA
Wednesday, March 27th	▪ Distribute drafts of bond documents	BC, FA
Thursday, March 28th	▪ **Bond Resolution adopted by the DSA in special called meeting** ▪ **City Council Meeting for Second Reading of DSA Application & Public Hearing** ▪ **City Council approves IGA for financing**	**DSA** **CC** **CC**
Friday, March 29th	▪ **File Bond Validation petition with Chatham Superior Court**	**BC**
	Week of April 1st	
Week of....	▪ 1st validation ad published	BC
Tuesday, April 2nd	▪ Comments due on drafts of bond documents	ALL
Thursday, April 4th	▪ Distribute second drafts of bond documents	BC
	Week of April 8th	
Week of....	▪ 2nd validation ad published	BC
Tuesday, April 9th	▪ Comments due on second drafts of bond documents	ALL
Thursday, April 11th	▪ Distribution of final closing documents	BC

Week of April 15th		
Week of….	▪ **Validation order received**	**BC**
Wednesday, April 18th	▪ Pre-Closing	ALL
Thursday, April 22nd	▪ **Closing**	**ALL**

Key:
City – City of Savannah, Georgia
DSA – Downtown Savannah Authority
BC – Bond Counsel (Gray Pannell & Woodward LLP)
FA – Financial Advisor (PFM Financial Advisors LLC)
CC – City of Savanah City Council

pfm

SOURCES AND USES OF FUNDS

Downtown Savannah Authority
Proposed Refunding of Series 2009B (BABs)

PRELIMINARY NUMBERS
Bank Loan - 2.75%
2026 & 2027 Maturities Escrowed to 8/1/2019 Call Date

Dated Date	04/22/2019
Delivery Date	04/22/2019

Sources:	
Bond Proceeds:	
Par Amount	8,435,000.00
Other Sources of Funds:	
Sinking Fund Interest	50,412.55
	8,485,412.55

Uses:	
Refunding Escrow Deposits:	
Cash Deposit	6,193,164.75
SLGS Purchases	2,200,117.00
	8,393,281.75
Delivery Date Expenses:	
Cost of Issuance	90,000.00
Other Uses of Funds:	
Additional Proceeds	2,130.80
	8,485,412.55

Note: *Preliminary Numbers for discussion purposes only.

BOND SUMMARY STATISTICS

Downtown Savannah Authority
Proposed Refunding of Series 2009B (BABs)

PRELIMINARY NUMBERS
Bank Loan - 2.75%
2026 & 2027 Maturities Escrowed to 8/1/2019 Call Date

Dated Date	04/22/2019
Delivery Date	04/22/2019
First Coupon	08/01/2019
Last Maturity	08/01/2032
Arbitrage Yield	2.750261%
True Interest Cost (TIC)	2.750261%
Net Interest Cost (NIC)	2.750000%
All-In TIC	2.871719%
Average Coupon	2.750000%
Average Life (years)	10.266
Duration of Issue (years)	8.962
Par Amount	8,435,000.00
Bond Proceeds	8,435,000.00
Total Interest	2,381,214.69
Net Interest	2,381,214.69
Total Debt Service	10,816,214.69
Maximum Annual Debt Service	1,319,575.00
Average Annual Debt Service	814,780.77
Underwriter's Fees (per $1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	8,435,000.00	100.000	2.750%	10.266	7,422.45
	8,435,000.00			10.266	7,422.45

	TIC	All-In TIC	Arbitrage Yield
Par Value	8,435,000.00	8,435,000.00	8,435,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-90,000.00	
- Other Amounts			
Target Value	8,435,000.00	8,345,000.00	8,435,000.00
Target Date	04/22/2019	04/22/2019	04/22/2019
Yield	2.750261%	2.871719%	2.750261%

Note: *Preliminary Numbers for discussion purposes only.

SUMMARY OF REFUNDING RESULTS

Downtown Savannah Authority
Proposed Refunding of Series 2009B (BABs)

PRELIMINARY NUMBERS
Bank Loan - 2.75%
2026 & 2027 Maturities Escrowed to 8/1/2019 Call Date

Dated Date	04/22/2019
Delivery Date	04/22/2019
Arbitrage yield	2.750261%
Escrow yield	2.435046%
Value of Negative Arbitrage	1,881.94
Bond Par Amount	8,435,000.00
True Interest Cost	2.750261%
Net Interest Cost	2.750000%
Average Coupon	2.750000%
Average Life	10.266
Par amount of refunded bonds	8,270,000.00
Average coupon of refunded bonds	5.658440%
Average life of refunded bonds	10.419
PV of prior debt to 04/22/2019 @ 2.750261%	10,529,801.20
Net PV Savings	554,550.72
Percentage savings of refunded bonds	6.705571%
Percentage savings of refunding bonds	6.574401%

Notes:
*Preliminary Numbers for discussion purposes only.
**Savings assume Net of Subsidy with 6.2% Sequestration reduction through maturity.

SUMMARY OF BONDS REFUNDED

Downtown Savannah Authority
Proposed Refunding of Series 2009B (BABs)

PRELIMINARY NUMBERS
Bank Loan - 2.75%
2026 & 2027 Maturities Escrowed to 8/1/2019 Call Date

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Cap. Imp. Revenue Bonds (City of Savannah Project), Taxable BABs--Direct Payment, Series 2009B:					
SERIAL	08/01/2026	5.500%	1,060,000.00	08/01/2019	100.000
	08/01/2027	5.600%	1,095,000.00	08/01/2019	100.000
TERM29	08/01/2028	5.650%	1,135,000.00	04/22/2019	100.000
	08/01/2029	5.650%	1,180,000.00	04/22/2019	100.000
TERM32	08/01/2030	5.700%	1,220,000.00	04/22/2019	100.000
	08/01/2031	5.700%	1,265,000.00	04/22/2019	100.000
	08/01/2032	5.700%	1,315,000.00	04/22/2019	100.000
			8,270,000.00		

Note: *Preliminary Numbers for discussion purposes only.

SAVINGS

Downtown Savannah Authority
Proposed Refunding of Series 2009B (BABs)

PRELIMINARY NUMBERS
Bank Loan - 2.75%
2026 & 2027 Maturities Escrowed to 8/1/2019 Call Date

Date	Prior Debt Service	Prior Adjustments	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 04/22/2019 @ 2.7502609%
08/01/2019	233,508.75	-82,271.10	50,412.55	100,825.10	63,789.69	37,035.41	36,380.99
08/01/2020	467,017.50	-164,542.20		302,475.30	256,962.50	45,512.80	44,423.24
08/01/2021	467,017.50	-164,542.20		302,475.30	256,275.00	46,200.30	43,876.75
08/01/2022	467,017.50	-164,542.20		302,475.30	255,587.50	46,887.80	43,327.46
08/01/2023	467,017.50	-164,542.20		302,475.30	254,900.00	47,575.30	42,775.91
08/01/2024	467,017.50	-164,542.20		302,475.30	254,212.50	48,262.80	42,222.63
08/01/2025	467,017.50	-164,542.20		302,475.30	253,525.00	48,950.30	41,668.11
08/01/2026	1,527,017.50	-164,542.20		1,362,475.30	1,317,837.50	44,637.80	37,013.91
08/01/2027	1,503,717.50	-139,933.78		1,363,783.72	1,317,862.50	45,921.22	37,019.94
08/01/2028	1,482,397.50	-114,050.60		1,368,346.90	1,317,062.50	51,284.40	40,160.56
08/01/2029	1,463,270.00	-92,997.54		1,370,272.46	1,315,437.50	54,834.96	41,700.62
08/01/2030	1,436,600.00	-71,109.78		1,365,490.22	1,317,987.50	47,502.72	35,125.98
08/01/2031	1,412,060.00	-48,279.80		1,363,780.20	1,319,575.00	44,205.20	31,755.96
08/01/2032	1,389,955.00	-24,607.72		1,365,347.28	1,315,200.00	50,147.28	34,967.86
	13,250,631.25	-1,725,045.72	50,412.55	11,475,172.98	10,816,214.69	658,958.29	552,419.92

Savings Summary

PV of savings from cash flow	552,419.92
Plus: Refunding funds on hand	2,130.80
Net PV Savings	554,550.72

Notes:
*Preliminary Numbers for discussion purposes only.
**Savings assume Net of Subsidy with 6.2% Sequestration reduction through maturity.

BOND PRICING

Downtown Savannah Authority
Proposed Refunding of Series 2009B (BABs)

PRELIMINARY NUMBERS
Bank Loan - 2.75%
2026 & 2027 Maturities Escrowed to 8/1/2019 Call Date

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	08/01/2020	25,000	2.750%	2.750%	100.000
	08/01/2021	25,000	2.750%	2.750%	100.000
	08/01/2022	25,000	2.750%	2.750%	100.000
	08/01/2023	25,000	2.750%	2.750%	100.000
	08/01/2024	25,000	2.750%	2.750%	100.000
	08/01/2025	25,000	2.750%	2.750%	100.000
	08/01/2026	1,090,000	2.750%	2.750%	100.000
	08/01/2027	1,120,000	2.750%	2.750%	100.000
	08/01/2028	1,150,000	2.750%	2.750%	100.000
	08/01/2029	1,180,000	2.750%	2.750%	100.000
	08/01/2030	1,215,000	2.750%	2.750%	100.000
	08/01/2031	1,250,000	2.750%	2.750%	100.000
	08/01/2032	1,280,000	2.750%	2.750%	100.000
		8,435,000			

Dated Date	04/22/2019	
Delivery Date	04/22/2019	
First Coupon	08/01/2019	
Par Amount	8,435,000.00	
Original Issue Discount		
Production	8,435,000.00	100.000000%
Underwriter's Discount		
Purchase Price	8,435,000.00	100.000000%
Accrued Interest		
Net Proceeds	8,435,000.00	

Notes:
*Preliminary Numbers for discussion purposes only.

BOND DEBT SERVICE

Downtown Savannah Authority
Proposed Refunding of Series 2009B (BABs)

PRELIMINARY NUMBERS
Bank Loan - 2.75%
2026 & 2027 Maturities Escrowed to 8/1/2019 Call Date

Period Ending	Principal	Coupon	Interest	Debt Service
08/01/2019			63,789.69	63,789.69
08/01/2020	25,000	2.750%	231,962.50	256,962.50
08/01/2021	25,000	2.750%	231,275.00	256,275.00
08/01/2022	25,000	2.750%	230,587.50	255,587.50
08/01/2023	25,000	2.750%	229,900.00	254,900.00
08/01/2024	25,000	2.750%	229,212.50	254,212.50
08/01/2025	25,000	2.750%	228,525.00	253,525.00
08/01/2026	1,090,000	2.750%	227,837.50	1,317,837.50
08/01/2027	1,120,000	2.750%	197,862.50	1,317,862.50
08/01/2028	1,150,000	2.750%	167,062.50	1,317,062.50
08/01/2029	1,180,000	2.750%	135,437.50	1,315,437.50
08/01/2030	1,215,000	2.750%	102,987.50	1,317,987.50
08/01/2031	1,250,000	2.750%	69,575.00	1,319,575.00
08/01/2032	1,280,000	2.750%	35,200.00	1,315,200.00
	8,435,000		2,381,214.69	10,816,214.69

Note: *Preliminary Numbers for discussion purposes only.

BOND DEBT SERVICE

Downtown Savannah Authority
Proposed Refunding of Series 2009B (BABs)

PRELIMINARY NUMBERS
Bank Loan - 2.75%
2026 & 2027 Maturities Escrowed to 8/1/2019 Call Date

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
08/01/2019			63,789.69	63,789.69	63,789.69
02/01/2020			115,981.25	115,981.25	
08/01/2020	25,000	2.750%	115,981.25	140,981.25	256,962.50
02/01/2021			115,637.50	115,637.50	
08/01/2021	25,000	2.750%	115,637.50	140,637.50	256,275.00
02/01/2022			115,293.75	115,293.75	
08/01/2022	25,000	2.750%	115,293.75	140,293.75	255,587.50
02/01/2023			114,950.00	114,950.00	
08/01/2023	25,000	2.750%	114,950.00	139,950.00	254,900.00
02/01/2024			114,606.25	114,606.25	
08/01/2024	25,000	2.750%	114,606.25	139,606.25	254,212.50
02/01/2025			114,262.50	114,262.50	
08/01/2025	25,000	2.750%	114,262.50	139,262.50	253,525.00
02/01/2026			113,918.75	113,918.75	
08/01/2026	1,090,000	2.750%	113,918.75	1,203,918.75	1,317,837.50
02/01/2027			98,931.25	98,931.25	
08/01/2027	1,120,000	2.750%	98,931.25	1,218,931.25	1,317,862.50
02/01/2028			83,531.25	83,531.25	
08/01/2028	1,150,000	2.750%	83,531.25	1,233,531.25	1,317,062.50
02/01/2029			67,718.75	67,718.75	
08/01/2029	1,180,000	2.750%	67,718.75	1,247,718.75	1,315,437.50
02/01/2030			51,493.75	51,493.75	
08/01/2030	1,215,000	2.750%	51,493.75	1,266,493.75	1,317,987.50
02/01/2031			34,787.50	34,787.50	
08/01/2031	1,250,000	2.750%	34,787.50	1,284,787.50	1,319,575.00
02/01/2032			17,600.00	17,600.00	
08/01/2032	1,280,000	2.750%	17,600.00	1,297,600.00	1,315,200.00
	8,435,000		2,381,214.69	10,816,214.69	10,816,214.69

Note: *Preliminary Numbers for discussion purposes only.

ESCROW REQUIREMENTS

Downtown Savannah Authority
Proposed Refunding of Series 2009B (BABs)

PRELIMINARY NUMBERS
Bank Loan - 2.75%
2026 & 2027 Maturities Escrowed to 8/1/2019 Call Date

Period Ending	Interest	Principal Redeemed	Total
04/22/2019	78,164.44	6,115,000.00	6,193,164.44
08/01/2019	59,810.00	2,155,000.00	2,214,810.00
	137,974.44	8,270,000.00	8,407,974.44

Note: *Preliminary Numbers for discussion purposes only.

ESCROW DESCRIPTIONS

Downtown Savannah Authority
Proposed Refunding of Series 2009B (BABs)

PRELIMINARY NUMBERS
Bank Loan - 2.75%
2026 & 2027 Maturities Escrowed to 8/1/2019 Call Date

	Type of Security	Type of SLGS	Maturity Date	First Int Pmt Date	Par Amount	Rate	Max Rate
Apr 22, 2019:							
	SLGS	Certificate	08/01/2019	08/01/2019	2,200,117	2.420%	2.420%
					2,200,117		

SLGS Summary

SLGS Rates File	14FEB19
Total Certificates of Indebtedness	2,200,117.00

Note: *Preliminary Numbers for discussion purposes only.

ESCROW COST

Downtown Savannah Authority
Proposed Refunding of Series 2009B (BABs)

PRELIMINARY NUMBERS
Bank Loan - 2.75%
2026 & 2027 Maturities Escrowed to 8/1/2019 Call Date

Type of Security	Maturity Date	Par Amount	Rate	Total Cost
SLGS	08/01/2019	2,200,117	2.420%	2,200,117.00
		2,200,117		2,200,117.00

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost	Yield
04/22/2019	2,200,117	6,193,164.75	8,393,281.75	2.435046%
	2,200,117	6,193,164.75	8,393,281.75	

Note: *Preliminary Numbers for discussion purposes only.

ESCROW CASH FLOW

Downtown Savannah Authority
Proposed Refunding of Series 2009B (BABs)

PRELIMINARY NUMBERS
Bank Loan - 2.75%
2026 & 2027 Maturities Escrowed to 8/1/2019 Call Date

Date	Principal	Interest	Net Escrow Receipts	Present Value to 04/22/2019 @ 2.4350463%
08/01/2019	2,200,117.00	14,692.69	2,214,809.69	2,200,117.00
	2,200,117.00	14,692.69	2,214,809.69	2,200,117.00

Escrow Cost Summary

Purchase date	04/22/2019
Purchase cost of securities	2,200,117.00
Target for yield calculation	2,200,117.00

Note: *Preliminary Numbers for discussion purposes only.

ESCROW SUFFICIENCY

Downtown Savannah Authority
Proposed Refunding of Series 2009B (BABs)

PRELIMINARY NUMBERS
Bank Loan - 2.75%
2026 & 2027 Maturities Escrowed to 8/1/2019 Call Date

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
04/22/2019	6,193,164.44	6,193,164.75	0.31	0.31
08/01/2019	2,214,810.00	2,214,809.69	-0.31	
	8,407,974.44	8,407,974.44	0.00	

Note: *Preliminary Numbers for discussion purposes only.

ESCROW STATISTICS

Downtown Savannah Authority
Proposed Refunding of Series 2009B (BABs)

PRELIMINARY NUMBERS
Bank Loan - 2.75%
2026 & 2027 Maturities Escrowed to 8/1/2019 Call Date

Total Escrow Cost	Modified Duration (years)	Yield to Receipt Date	Yield to Disbursement Date	Perfect Escrow Cost	Value of Negative Arbitrage	Cost of Dead Time
8,393,281.75	0.272	2.435046%	2.435046%	8,391,399.81	1,881.94	
8,393,281.75				8,391,399.81	1,881.94	0.00

Delivery date	04/22/2019
Arbitrage yield	2.750261%

Note: *Preliminary Numbers for discussion purposes only.