

TO: Rob Hernandez, City Manager
FROM: David Maxwell, Chief Financial Officer
DATE: October 16, 2018
SUBJECT: Financing Plan Update Downtown Streetscape Improvements

The City's adopted capital improvement plan requires \$2 million in capital be provided in 2018 through the issuance of general obligation bonds (GOB) to design and construct streetscape improvements to the downtown corridors of Broughton Street, Bay Street and River Street. These improvements will include items such as sidewalks, lighting, signage and other amenities which will enhance the aesthetics, functionality and safety of these corridors. The issuance of this year's GOB in the amount of \$2 million is part of a larger plan to finance the \$14 million total needed for the project. The bonds issued/planned for this purpose are as follows:

• Downtown Savannah Authority Tax-exempt Revenue Bonds, Series 2016	\$ 8,000,000
• City of Savannah General Obligation Bonds, Series 2016	2,000,000
• City of Savannah General Obligation Bonds, Series 2017	2,000,000
• City of Savannah General Obligation Bonds, Series 2018	<u>2,000,000</u>
	<u>\$14,000,000</u>

No assistance from the Downtown Savannah Authority is required to issue the GO bonds as the City is allowed under state law to issue \$2 million in general obligation bonds annually for street improvements. These bonds will be secured by the full faith and credit of the City and represent a general obligation thereof. These bonds are being issued as general obligation debt in anticipation of an allocation being provided in SPLOST VII for their retirement. As general obligation debt, their repayment through SPLOST funds is allowable under state law. The preliminary schedule for issuing the GOB is as follows:

- November 5, 2018 – Public hearing at the Council meeting for the purpose of considering the issuance of the bonds
- November 20, 2018 – Bonds sold with Council adopting the bond resolution and accepting the best bid
- November 20, 2018 – 1st and 2nd reading of ordinance authorizing the levying of taxes to service the GOB

cc: Brooks Stillwell, City Attorney
Melissa Carter, Research and Budget Director
Tom Gray, Bond Counsel
Courtney Knight, Financial Advisor