



TO: Rob Hernandez, City Manager
FROM: David Maxwell, Chief Financial Officer
DATE: November 27, 2017
SUBJECT: Financing Plan Update for Public Improvements for the west end of River Street

As part of the agreements signed in 2014 with developers (Rockbridge and Kessler) constructing new hotel projects on the west end of River Street, the City committed to construct or acquire certain improvements in that vicinity. These improvements consist of a riverwalk extension, streetscape improvements to MLK, Montgomery and River streets, and a pedestrian stairway and elevator along Montgomery Street. The source of funds to construct and acquire these improvements has been identified as bond proceeds from the Downtown Savannah Authority (DSA), Series 2018 Tax-exempt bond issue to be secured by the City of Savannah. The current estimate for the size of the bond issue is \$14 million, which should provide net proceeds of \$13.5 million for the construction fund. The City earlier made petition to the DSA board for assistance with this bond issue and was approved. Public notifications and votes, as required by law, have been planned with the preliminary issuance schedule as follows:

- December 21, 2017 – 1st reading at City Council meeting of DSA application to issue bonds
- January 4, 2018 – Notice of intent to issue bonds announced at City Council meeting
- January 4, 2018 – Public hearing and 2nd reading of DSA application to issue bonds at City Council meeting
- February 1, 2018 – Bonds are sold, City Council accepts the best bid and adoption of the intergovernmental agreement by DSA and City Council

Our financing team consisting of City staff, the City Attorney, bond counsel (Gray Pannell & Woodward LLP), disclosure counsel (Golden Holley James LLP), and financial advisor (PFM, Inc) have begun preparing the bond transaction documents for a public competitive bond sale which is scheduled for the morning of February 1, 2018.