



Community Maritime Park Financing Recommendation

April 6, 2009



Recommendation Long Term Financing

- Approve the issuance of a 30 year fixed rate Capital Improvement Revenue Bond to provide \$40 million net proceeds for the Maritime Park project.
- Pledge - TIF revenues which will pay Maritime Park debt.
- Covenant to Budget & Appropriate - Back up pledge from the City.



Assumptions

- TIF revenues are sufficient to meet anticipated principal and interest payments of 30 year borrowing.
- TIF Revenues for FY2010 & FY2011 are projected to be 5% lower than FY2009.
- TIF revenues from 2012 forward are projected to grow by 5%.
- Funds for additional CRA Projects have been eliminated from the budget and may not be returned in the near future.
- May need to reduce CRA operating expenses.
- Funding for DIB, Landscape and Community Policing Interlocal Agreements may need to be reduced in the future.
- ECUA obligation may need to be funded upfront by the City with a repayment by CRA in the future.



ECUA Agreement

Relocation of Main Street Wastewater Treatment Plant

- April 2007
- \$19,500,000 is obligated to ECUA by CRA
- Payments begin FY2011 through FY2027
- Interlocal Agreement provides a means to reduce each annual payment if TIF revenue is reduced by an act of the State Legislature
- Alternatives to payment structure
 - Invert the current payment schedule
 - Level debt payment of \$1.3M beginning in FY2013 thru FY2027
 - Other



COMMUNITY REDEVELOPMENT AGENCY
Financial Projection
CMP with capitalized interest & Original WWTP

<u>FISCAL YEAR</u>	<u>TIF REVENUES</u>	<u>Maritime Park Debt</u>	<u>CRA Operating & Existing Debt</u>	<u>WASTEWATER PLANT</u>	<u>NET AVAILABLE</u>
2010	\$ 4,420,369	\$ -	\$ 2,120,914	\$ -	\$ 2,299,455
2011	4,420,369	780,000	2,168,312	1,559,256	(87,198.85)
2012	4,641,388	3,274,825	2,218,426	2,142,372	(2,994,235.26)
2013	4,873,457	3,279,325	1,842,069	2,088,886	(2,336,822.65)
2014	5,117,130	3,276,575	1,898,317	2,034,863	(2,092,625.45)
2015	5,372,987	3,276,825	1,958,030	1,980,301	(1,842,169.71)
2016	5,641,636	3,279,825	2,021,505	1,444,322	(1,104,016.63)
2017	5,923,718	3,275,325	2,089,070	750,000	(190,677.48)
2018	6,219,904	3,278,575	2,140,553	750,000	50,775.76
2019	6,530,899	3,279,075	2,193,796	750,000	308,027.24
2020	6,857,444	3,276,825	2,248,873	750,000	581,746.00
2021	7,200,316	3,278,825	2,305,856	750,000	865,634.95
2022	7,560,332	3,277,412	2,364,824	750,000	1,168,095.59
2023	7,938,348	3,277,587	2,425,858	750,000	1,484,902.78
2024	8,335,266	3,277,587	2,489,044	750,000	1,818,634.65
2025	8,752,029	3,279,087	2,554,469	750,000	2,168,472.54
2026	9,189,630	3,276,837	2,622,227	750,000	2,540,566.09
2027	9,649,112	3,275,837	2,692,414	750,000	2,930,860.43
2028	10,131,567	3,275,837	2,765,132		4,090,598.45
2029	10,638,146	3,276,587	2,840,486		4,521,073.22
2030	11,170,053	3,277,837	2,918,586		4,973,630.50
2031	11,728,556	3,279,337	2,999,547		5,449,671.40
2032	12,314,983	3,275,662	3,083,491		5,955,830.14
2033	12,930,733	3,276,475	3,170,544		6,483,714.01
2034	13,577,269	3,276,250	3,260,836		7,040,183.43
2035	14,256,133	3,274,725	3,354,506		7,626,902.12
2036	14,968,939	3,276,637	3,451,697		8,240,605.58
2037	15,717,386	3,276,462	3,552,560		8,888,364.55
2038	16,503,256	3,278,937	3,657,252		9,567,066.83
2039	17,328,418	3,278,537	3,765,937		10,283,944.11
		<u>\$ 92,543,630</u>		<u>\$ 19,500,000</u>	



COMMUNITY REDEVELOPMENT AGENCY
Financial Projections
CMP with capitalized interest & Inverted ECUA

FISCAL <u>YEAR</u>	TIF <u>REVENUES</u>	Maritime Park <u>Debt</u>	CRA Operating & Existing Debt	WASTEWATER <u>PLANT</u>	NET <u>AVAILABLE</u>
2010	\$ 4,420,369	\$ -	\$ 2,120,914	\$ -	\$ 2,299,455
2011	4,420,369	780,000	2,168,312	750,000	722,057.15
2012	4,641,388	3,274,825	2,218,426	750,000	(1,601,863.26)
2013	4,873,457	3,279,325	1,842,069	750,000	(997,936.65)
2014	5,117,130	3,276,575	1,898,317	750,000	(807,762.45)
2015	5,372,987	3,276,825	1,958,030	750,000	(611,868.71)
2016	5,641,636	3,279,825	2,021,505	750,000	(409,694.63)
2017	5,923,718	3,275,325	2,089,070	750,000	(190,677.48)
2018	6,219,904	3,278,575	2,140,553	750,000	50,775.76
2019	6,530,899	3,279,075	2,193,796	750,000	308,027.24
2020	6,857,444	3,276,825	2,248,873	750,000	581,746.00
2021	7,200,316	3,278,825	2,305,856	750,000	865,634.95
2022	7,560,332	3,277,412	2,364,824	1,559,256	358,839.59
2023	7,938,348	3,277,587	2,425,858	2,142,372	92,530.78
2024	8,335,266	3,277,587	2,489,044	2,088,886	479,748.65
2025	8,752,029	3,279,087	2,554,469	2,034,863	883,609.54
2026	9,189,630	3,276,837	2,622,227	1,980,301	1,310,265.09
2027	9,649,112	3,275,837	2,692,414	1,444,322	2,236,538.43
2028	10,131,567	3,275,837	2,765,132		4,090,598.45
2029	10,638,146	3,276,587	2,840,486		4,521,073.22
2030	11,170,053	3,277,837	2,918,586		4,973,630.50
2031	11,728,556	3,279,337	2,999,547		5,449,671.40
2032	12,314,983	3,275,662	3,083,491		5,955,830.14
2033	12,930,733	3,276,475	3,170,544		6,483,714.01
2034	13,577,269	3,276,250	3,260,836		7,040,183.43
2035	14,256,133	3,274,725	3,354,506		7,626,902.12
2036	14,968,939	3,276,637	3,451,697		8,240,605.58
2037	15,717,386	3,276,462	3,552,560		8,888,364.55
2038	16,503,256	3,278,937	3,657,252		9,567,066.83
2039	17,328,418	3,278,537	3,765,937		10,283,944.11
		<u>\$ 92,543,630</u>		<u>\$ 19,500,000</u>	



COMMUNITY REDEVELOPMENT AGENCY
Financial Projections
CMP with capitalized interest & Level debt ECUA

<u>FISCAL YEAR</u>	<u>TIF REVENUES</u>	<u>Maritime Park Debt</u>	<u>CRA Operating & Existing Debt</u>	<u>WASTEWATER PLANT</u>	<u>NET AVAILABLE</u>
2010	\$ 4,420,369	\$ -	\$ 2,120,914	\$ -	\$ 2,299,455
2011	4,420,369	780,000	2,168,312	-	1,472,057
2012	4,641,388	3,274,825	2,218,426	-	(851,863)
2013	4,873,457	3,279,325	1,842,069	1,300,000	(1,547,937)
2014	5,117,130	3,276,575	1,898,317	1,300,000	(1,357,762)
2015	5,372,987	3,276,825	1,958,030	1,300,000	(1,161,869)
2016	5,641,636	3,279,825	2,021,505	1,300,000	(959,695)
2017	5,923,718	3,275,325	2,089,070	1,300,000	(740,677)
2018	6,219,904	3,278,575	2,140,553	1,300,000	(499,224)
2019	6,530,899	3,279,075	2,193,796	1,300,000	(241,973)
2020	6,857,444	3,276,825	2,248,873	1,300,000	31,746
2021	7,200,316	3,278,825	2,305,856	1,300,000	315,635
2022	7,560,332	3,277,412	2,364,824	1,300,000	618,096
2023	7,938,348	3,277,587	2,425,858	1,300,000	934,903
2024	8,335,266	3,277,587	2,489,044	1,300,000	1,268,635
2025	8,752,029	3,279,087	2,554,469	1,300,000	1,618,473
2026	9,189,630	3,276,837	2,622,227	1,300,000	1,990,566
2027	9,649,112	3,275,837	2,692,414	1,300,000	2,380,860
2028	10,131,567	3,275,837	2,765,132		4,090,598
2029	10,638,146	3,276,587	2,840,486		4,521,073
2030	11,170,053	3,277,837	2,918,586		4,973,631
2031	11,728,556	3,279,337	2,999,547		5,449,671
2032	12,314,983	3,275,662	3,083,491		5,955,830
2033	12,930,733	3,276,475	3,170,544		6,483,714
2034	13,577,269	3,276,250	3,260,836		7,040,183
2035	14,256,133	3,274,725	3,354,506		7,626,902
2036	14,968,939	3,276,637	3,451,697		8,240,606
2037	15,717,386	3,276,462	3,552,560		8,888,365
2038	16,503,256	3,278,937	3,657,252		9,567,067
2039	17,328,418	3,278,537	3,765,937		10,283,944
		<u>\$ 92,543,630</u>		<u>\$ 19,500,000</u>	



Bond Process

- Identify Financing Team
- Issuing Bonds requires 60-90 days
- Proposed Financing Schedule
- City Council approves Bond Resolution and authorizes City Manager to execute necessary documents to sell bonds within set parameters
- City Council is notified of bond sale results



Preliminary Key Dates

- April 10, 2009 - Draft Bond Resolution distributed to City Council
- May 1, 2009 - Distribute Draft Preliminary Official Statement (POS)
- May 11, 2009 - City Council adopts Bond Resolution
- June 15, 2009 - Pricing for Bonds
- June 30, 2009 - Closing



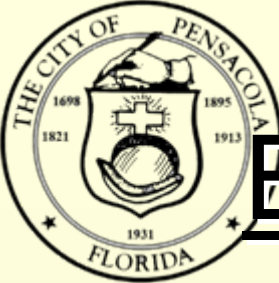
Sources & Uses

■ Sources

• Par Amount	\$48,735,000
• Net Original Discount	<u>(2,721,758)</u>
	\$46,013,242

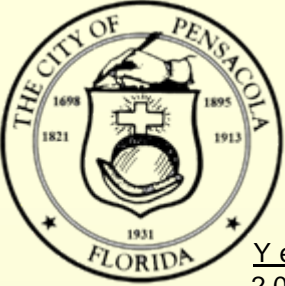
■ Uses

• Maritime Park Fund	\$40,000,000
• Capitalized Interest	4,498,090
• Cost of Issuance	250,000
• Underwriters Discount	292,410
• Insurance Premium	971,196
• Misc	<u>1,546</u>
	\$46,013,242



Estimated Cost of Issuance

- Cost of Issuance \$250,000:
 - Bond Counsel \$49,500
 - Disclosure Counsel \$37,500
 - Financial Advisor \$72,500
 - Rating Agency Fees \$70,000
 - CPA \$10,000
 - Printing \$7,500
 - Paying Agent \$750
 - Misc \$2,249
- Underwriters Discount \$292,410
- Insurance Premium \$971,196



**Community Redevelopment Agency
Projected Debt Service Schedule
as of March 23, 2009
Capitalized Interest**

<u>Year</u>	<u>Coupon</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2010			*	
2011	4.00	\$ 780,000	*	\$ 780,000
2012	5.00	810,000	2,464,825	3,274,825
2013	5.00	855,000	2,424,325	3,279,325
2014	5.00	895,000	2,381,575	3,276,575
2015	5.00	940,000	2,336,825	3,276,825
2016	5.00	990,000	2,289,825	3,279,825
2017	5.00	1,035,000	2,240,325	3,275,325
2018	5.00	1,090,000	2,188,575	3,278,575
2019	5.00	1,145,000	2,134,075	3,279,075
2020	5.25	1,200,000	2,076,825	3,276,825
2021	5.25	1,265,000	2,013,825	3,278,825
2022	5.25	1,330,000	1,947,413	3,277,413
2023	5.00	1,400,000	1,877,588	3,277,588
2024	5.00	1,470,000	1,807,588	3,277,588
2025	5.00	1,545,000	1,734,088	3,279,088
2026	5.00	1,620,000	1,656,838	3,276,838
2027	5.00	1,700,000	1,575,838	3,275,838
2028	5.00	1,785,000	1,490,838	3,275,838
2029	5.00	1,875,000	1,401,588	3,276,588
2030	5.00	1,970,000	1,307,838	3,277,838
2031	5.25	2,070,000	1,209,338	3,279,338
2032	5.25	2,175,000	1,100,663	3,275,663
2033	5.25	2,290,000	986,475	3,276,475
2034	5.25	2,410,000	866,250	3,276,250
2035	5.25	2,535,000	739,725	3,274,725
2036	5.25	2,670,000	606,638	3,276,638
2037	5.25	2,810,000	466,463	3,276,463
2038	5.25	2,960,000	318,938	3,278,938
2039	5.25	3,115,000	163,530	3,278,530
		<u>\$ 48,735,000</u>	<u>\$ 43,808,630</u>	<u>\$ 92,543,630</u>

* Capitalized Interest FY2010 of \$2,080,020 and FY2011 of \$2,496,025



Regulatory Compliance

SEC RECOMMENDED

QUESTIONS OFFICIALS SHOULD ASK THEMSELVES AND THEIR STAFF

1. How have we allocated responsibilities for the preparation of the official statement? Have we clearly defined the responsibilities of all participants in the transaction?
2. What processes or procedures have been established to select qualified outside professionals? How are we relying on them, and is our reliance appropriate? How are they being compensated?
3. What have we done to establish the accuracy of financial and operating information and its disclosure in the official statement? Has anything happened since the date of the financial statements that needs to be disclosed?



Regulatory Compliance – Continued

4. What policies and procedures have we developed to determine whether material conflicts of interest exist that need to be disclosed?
5. What procedures have we established to accurately describe the project, the bond terms, the sources of repayment, and the risks associated with the project? What procedures have we established for the investment and disbursement of the bond proceeds?
6. Do our procedures permit the underwriters to carry out their “due diligence” and other responsibilities?
7. Have we fully considered any questions asked by the rating agencies?



Regulatory Compliance – Continued

8. What continuing disclosure responsibilities have we assumed and what procedures have we established to meet them? Who will determine and file the annual finance and material event disclosure information? Have we designated an individual to speak to the market on our behalf?
9. If we are relying on bond counsel, financial advisor, or trustee to evaluate and meet our continuing disclosure requirements, what procedures are in place to keep them apprised of our financial condition and other material information?
10. Have our procedures produced an official statement that we feel accurately presents our financial condition and discloses the information a reasonable investor needs to know? Have all the right people reviewed it?



QUESTIONS