



Legislation Text

File #: ID 18-0497, **Version:** 1

Resolution Approving and Authorizing the Sale and Issuance of Limited Obligation Bonds and the Execution and Delivery of a Fourth Supplemental Trust Agreement and Related Documents in Connection with the Financing and Refinancing of Various Improvements to the City's Coliseum Complex

Department: Financial & Administrative Services
Council District: 1

Public Hearing: August 21, 2018
Advertising Date/By: August 10, 2018

Contact 1 and Phone: Richard L. Lusk, Finance Director 373-2077
Contact 2 and Phone: Thomas D. Carruthers, City Attorney 373-2320

PURPOSE: To hold a public hearing to authorize the issuance and sale of up to \$56 million limited obligation bonds on October 24, 2018 to finance \$28.8 million capital improvements to the Greensboro War Memorial Coliseum Complex, refinance the Coliseum Project Series 2010A certifications of participations (COPs) with a remaining balance of \$5.335 million, to refinance a portion of the Coliseum Project Series 2014 outstanding limited obligation bonds (LOBs) of \$22.62 million, and related financing costs, including capitalized interest during construction. The par amount of the bonds on the sale date is not expected to exceed \$56 million. Issuance of limited obligation bonds to finance the improvements and refinancing is subject to a public hearing and approval by City Council and the Local Government Commission.

BACKGROUND: This proposed financing will fund Coliseum Complex improvements of \$56 million, including the refinancing of bonds issued in 2010 and 2014 and a \$20 million limited obligation note issued May 2016. City Council has authorized additional projects including additional funding for a new pool at the Greensboro Aquatic Center on July 17, 2018, and is requested to authorize replacement of seating at the Special Events Center, A/C cooling towers, and ice chiller plants as well as parking lot improvements, on August 21, 2018.

The Coliseum Project Series 2010A COPs were issued in September 2010 to fund the construction of the Greensboro Aquatic Center. Refinancing the remaining balance to a lower interest rate will yield cash flow savings of approximately \$150,000 including reduced audit and administrative expense.

The Coliseum Project Series 2014 LOBs were issued in September 2014 to fund the construction of various improvements to the Coliseum Complex. Refinancing the remaining balance to a lower interest rate will yield cash flow savings of approximately \$200,000 including reduced administrative expense.

The improvements and refinancing will be financed by the issuance of limited obligation bonds pursuant to a master trust agreement with U.S. Bank (bond trustee) and a bond purchase agreement with Wells Fargo Bank, N.A. The interest on this installment financing will have a 25-year term with a projected average coupon rate not to exceed 4.0%.

BUDGET IMPACT: Annual debt service on the proposed issue is included in the Hotel/Motel Tax Fund budget, estimated at \$1.7 million annually for new debt related to the coliseum improvements. Annual savings on the refinancing of the Coliseum Project Series 2010A COPs and 2014 LOBs will reduce debt service in the Fund.

RECOMMENDATION / ACTION REQUESTED: The Finance and Legal Departments recommend approval of the attached resolution approving the issuance of limited obligation bonds to finance and refinance improvements to the Coliseum Complex in an amount not to exceed \$56 million.