

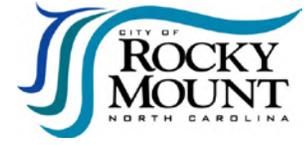
Downtown Community Facility – City Council Discussion Materials

City of Rocky Mount, North Carolina



October 10, 2016

Downtown Community Facility Financing Update



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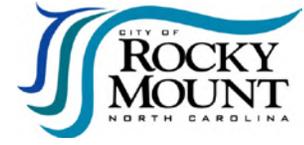
- City Staff and the financing working group are in the process of pursuing a financing for the Downtown Community Facility (“DCF”) through the public markets.
- PNC Capital Markets (Senior Manager) and Stifel, Nicolaus & Company, Incorporated (Co-Manager) have been engaged as the underwriters for the financing.
- The DCF financing will be structured as Special Obligation Bonds secured by some combination of Sales Tax Distributions and/or State Distributions.
- The Special Obligation Bonds are scheduled to be sold in the public markets on December 15th with funds available to the City by the end of the calendar year.

Proposed Debt Service

FY	Principal	Interest	Total
Total	33,725,000	17,362,387	51,087,387
2017	-	422,587	422,587
2018	-	1,435,200	1,435,200
2019	300,000	1,435,200	1,735,200
2020	1,365,000	1,426,200	2,791,200
2021	1,410,000	1,385,250	2,795,250
2022	1,465,000	1,328,850	2,793,850
2023	1,525,000	1,270,250	2,795,250
2024	1,585,000	1,209,250	2,794,250
2025	1,650,000	1,145,850	2,795,850
2026	1,730,000	1,063,350	2,793,350
2027	1,815,000	976,850	2,791,850
2028	1,910,000	886,100	2,796,100
2029	2,005,000	790,600	2,795,600
2030	2,105,000	690,350	2,795,350
2031	2,210,000	585,100	2,795,100
2032	2,320,000	474,600	2,794,600
2033	2,435,000	358,600	2,793,600
2034	2,555,000	236,850	2,791,850
2035	2,635,000	160,200	2,795,200
2036	2,705,000	81,150	2,786,150
Term			20 Years
True Interest Cost			2.83%
All-In Trust Interest Cost			3.03%
Average Life			12.280 Years

Note: Debt service shown is based on current market estimates and is preliminary and subject to change.

Capital Funding Summary



Downtown Community Facility and Other City Capital

1	Downtown Community Facility Funding		
2	Downtown Community Facility Funding ¹	\$	33,725,000
3	Total	\$	33,725,000
4			
5	Other City Capital Projects (FY 2017 - 2022)		
6	Future Equipment / Construction Installments ²	\$	8,244,775
7	Annual CIP Pay-GO (\$2,570,460 per year)		15,422,760
8	Estimated Future Debt Capacity (FY 2020 - 2022) ³		11,383,152
9	Total	\$	35,050,687
10			
11	Key Debt Ratios	Current	Post Issuance
12	Debt to Assessed Value ⁴	0.59%	1.39%
13	Debt Per Capita ⁴	\$423	\$989
14	Debt Service to Expenditures ⁴	6.45%	8.74%
15	10-Year Payout Ratio ⁴	88.70%	54.30%
16	City Legal Debt Limit (FY 16) ⁵	\$319,049,524	\$319,049,524
17			
18	Estimated Incremental Tax Equivalent⁶		
19	2016	2.50¢	
20	2017	--	
21	2018	--	
22	2019	1.00¢	
23	2020	3.00¢	
24	Total	6.50¢	

Note: Debt service shown is based on current market estimates and is preliminary and subject to change until Bond pricing on 12/15/16.

Annual Funding Requirements

A	B	C	D	E	F	G	H
FY	Existing Debt Service	Future Equip./Const. Installments ²	CIP Pay-Go Cash	Downtown Community Facility Operating Loss (Surplus) ⁷	Downtown Community Facility Debt Service ⁴	Total	Estimated Incremental Tax Equivalent ⁶
Total	26,285,697	33,509,815	56,550,120	(4,806,905)	51,087,387	162,626,113	6.50¢
2016	4,257,577	-	2,570,460	-	-	6,828,037	2.50¢
2017	4,143,751	89,238	2,570,460	-	422,587	7,226,035	--
2018	3,640,883	467,002	2,570,460	-	1,435,200	8,113,546	--
2019	3,253,513	828,936	2,570,460	872,163	1,735,200	9,260,272	1.00¢
2020	1,658,853	1,431,980	2,570,460	682,815	2,791,200	9,135,308	3.00¢
2021	1,488,588	1,576,302	2,570,460	264,778	2,795,250	8,695,377	--
2022	1,301,807	1,736,826	2,570,460	(60,795)	2,793,850	8,342,149	--
2023	1,273,121	1,738,967	2,570,460	(359,017)	2,795,250	8,018,781	--
2024	1,244,290	1,741,107	2,570,460	(376,968)	2,794,250	7,973,139	--
2025	1,215,314	1,743,248	2,570,460	(395,816)	2,795,850	7,929,056	--
2026	967,289	1,745,389	2,570,460	(415,607)	2,793,350	7,660,881	--
2027	834,612	1,855,529	2,570,460	(436,388)	2,791,850	7,616,063	--
2028	811,967	1,855,529	2,570,460	(458,207)	2,796,100	7,575,849	--
2029	194,133	1,855,529	2,570,460	(458,207)	2,795,600	6,957,515	--
2030	-	1,855,529	2,570,460	(458,207)	2,795,350	6,763,132	--
2031	-	1,855,529	2,570,460	(458,207)	2,795,100	6,762,882	--
2032	-	1,855,529	2,570,460	(458,207)	2,794,600	6,762,382	--
2033	-	1,855,529	2,570,460	(458,207)	2,793,600	6,761,382	--
2034	-	1,855,529	2,570,460	(458,207)	2,791,850	6,759,632	--
2035	-	1,855,529	2,570,460	(458,207)	2,795,200	6,762,982	--
2036	-	1,855,529	2,570,460	(458,207)	2,786,150	6,753,932	--
2037	-	1,855,529	2,570,460	(458,207)	-	3,967,782	--

¹ Preliminary and subject to change.

² Future Equipment / Construction Installments assumes 5-Year Level Debt Service at 3.50% (subject to change in market conditions).

³ Future Debt Capacity assumes 20-Year Level Principal at 5.00%. Preliminary and subject to change.

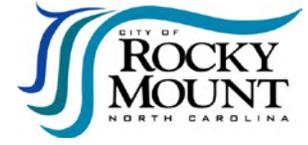
⁴ Includes existing City debt, future Equipment / Construction Installments and Downtown Community Facility Funding.

⁵ Per City's FY 2016 CAFR (p. 184). Based on 8% of the City's FY 16 Assessed Value (\$3,988,119,056).

⁶ Based upon a value of 1¢ = \$387,000. Assumes 0.00% growth in the value of 1¢.

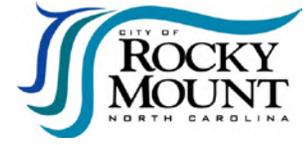
⁷ Provided by SFA / SFM. FY 2028 Operating Loss (Surplus) assumed to remain constant in future years.

Financing Schedule



Date	Task
October 10 th	City Council Meeting <ul style="list-style-type: none">• City Council considers approving FY 2016 Audited Financial Statements• City Council receives update on the DCF project
November 1 st	Special City Council Meeting <ul style="list-style-type: none">• City Council holds Public Hearing on the DCF financing
November 14 th	City Council Meeting <ul style="list-style-type: none">• City Council holds Public Hearing on MSD• City Council considers adopting MSD Ordinance (1st reading)
November 28 th	City Council Meeting <ul style="list-style-type: none">• City Council considers adopting MSD Ordinance (2nd reading)• City Council considers approval of the financing
December 9 th	LGC considers approval of financing
December 15 th	Sell Bonds
Late December	Close Bonds

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