



Summary of Financing

The proposed full faith and credit financing agreement will provide funds for approximately \$2.5 million for the City’s urban renewal agency and refinance for savings the City’s outstanding Sewer Revenue Refunding Bonds, Series 2010 and its DEQ Clean Water State Revolving Fund Loan. See below for an estimated breakdown for the sources and uses of the financing:

Sources of Funds	
Financing Agreement Principal Amount	\$4,650,200
CWSRF Debt Service Reserve	\$183,888
2010 Sewer Bond Reserve	\$322,450
Total Proceeds	\$5,156,538
Uses of Funds	
Urban Renewal Projects	\$2,500,000
Sewer Borrowings Payoff	\$2,605,556
Costs of Issuance	\$50,800
Contingency	\$182
Total Uses	\$5,156,538

Source of Repayment

The city is pledging its full faith and credit and all legally available funds and revenues to repaying the debt service of the financing agreement. The source of funds for repayment of the urban renewal project will come from urban renewal area tax increment revenues through an intergovernmental agreement with the city’s urban renewal agency. The source of funds for repayment of the refinancing of the sewer borrowings will be paid from revenues and existing funds of the sewer system.

Projected Debt Service and Savings

Based on proposals received on August 25th, below are projected annual debt service payments for the urban renewal project financing and the new debt service payments for the sewer borrowings.

Full Faith and Credit Financing Agreement Annual Debt Service			
Fiscal Year	Urban Renewal	Sewer Borrowings	Sewer Fund Savings
2021	\$272,095	\$294,032	\$88,772
2022	\$272,071	\$411,417	\$88,064
2023	\$272,099	\$410,582	\$87,349
2024	\$272,070	\$409,368	\$86,590
2025	\$272,083	\$407,780	\$85,785
2026	\$272,038	\$95,821	\$84,927
2027	\$272,033	\$95,803	\$84,107
2028	\$272,068	\$95,863	\$83,184
2029	\$272,041	-	
2030	\$272,052	-	

Debt service based on 1.55% interest rate for the financing agreement.

Unless otherwise agreed to, the primary role of Davidson, as an underwriter/placement agent, is to purchase securities for resale to investors, in an arm’s-length commercial transaction between the Issuer and Davidson or to arrange for placement of securities with an investor. As underwriter/placement agent Davidson is not acting as a fiduciary to the Issuer and Davidson has financial and other interests that may differ from those of the Issuer.