

City of Chamblee, Georgia

RFP Results Presentation – Series 2024 PFA Bond



October 15, 2024



Background / Overview

- As part of the 2024 legislative session, the City of Chamblee (the “City”) created the City of Chamblee Public Facilities Authority (the “PFA”).
 - The PFA creation provided the City with another option to finance capital projects.
- In April 2024, the City Council adopted a reimbursement resolution which would allow the City to reimburse itself for the costs of closing on the Public Works Facility.
- Following a series of Public Hearings, in June 2024 the City amended the charter which exempted the millage rate cap on long term debt obligations, such as the one contemplated through the PFA.
- In July 2024, the City appointed members to serve on the PFA and the PFA had its initial organizational meeting.
- In September 2024, City Staff notified Davenport & Company LLC (“Davenport”) in our capacity as Financial Advisor, that they were ready to proceed with the issuance of the PFA Bond. Enclosed herein are the results.

Request for Proposals Solicitation



- On September 23, 2024, a Request for Proposals (the “RFP”) was distributed on behalf of the City and PFA for the purpose of obtaining a commercial loan evidenced by the PFA’s Series 2024 Revenue Bond (the “Series 2024 Bond”).
- The proceeds of the Series 2024 Bond will be used for (i) reimburse the City for the acquisition of a public works facility (\$3,072,500) (ii) improve the public works facility (\$1,300,000) and (iii) finance Fish Bolt Park (\$4,000,000), which will be used as a park and part of the City’s stormwater management system.
- The RFP requested interest rates for both 15 and 20 year amortization schedules.
- On Tuesday, October 8, 2024, Davenport received 9 proposals from the following lending institutions listed below.
- Davenport is recommending a proposal from Huntington which is detailed on the subsequent page.

Capital One (15 and 20 year)	Huntington (15 and 20 year)	JP Morgan Chase Bank (15 year)	Synovus Bank (15 year)	TD Bank (15 year)
Truist (15 and 20 year)	United Bank (15 and 20 year)	Webster Bank (15 and 20 year)	Zions Bank (15 and 20 year)	

Summary of Recommended Proposal



Huntington

Issuance Amount:	\$8,471,000
Term	20 Years
Rate:	4.06% (Fixed until Final Maturity)
Prepayment:	Callable until February 1, 2029 at 102%, and thereafter at no penalty
Bank Fees:	Up to \$3,000
Closing Date:	November 12, 2024

In review of the proposals offered, Davenport discussed the options with City Staff who determined that a 20-year term would be more suitable for the City than the 15-year term. The annual cash flow relief received from the longer term outweighed the additional interest cost over the life loan.

Another factor that led to Huntington being the recommended proposal to the City was the favorable prepayment flexibility and fixed rate until maturity.

A summary of the bids can be found in the appendix herein.

Final Debt Service / Sources & Uses



Series 2024 Bond - Final Debt Service			
Fiscal Year	Principal	Interest	Total
2025	\$372,000	\$239,882	\$611,882
2026	289,000	322,953	611,953
2027	301,000	310,976	611,976
2028	313,000	298,512	611,512
2029	326,000	285,540	611,540
2030	339,000	272,040	611,040
2031	354,000	257,972	611,972
2032	368,000	243,316	611,316
2033	383,000	228,071	611,071
2034	399,000	212,196	611,196
2035	416,000	195,651	611,651
2036	433,000	178,417	611,417
2037	451,000	160,472	611,472
2038	470,000	141,775	611,775
2039	489,000	122,308	611,308
2040	509,000	102,048	611,048
2041	531,000	80,936	611,936
2042	553,000	58,931	611,931
2043	576,000	36,012	612,012
2044	599,000	12,160	611,160
Total	\$8,471,000	\$3,760,166	\$12,231,166

Sources

Par Amount	\$8,471,000
Total Sources	\$8,471,000

Uses

Project Fund	\$8,372,500
Cost of Issuance	98,500
Total Uses	\$8,471,000



Recommendation & Rationale

- Davenport recommends that the City and PFA accept the 4.06% bid from Huntington to finance the Series 2024 Bond. This recommendation is based upon the following:
 - Huntington's interest rate option was the lowest amongst all proposals that offered a 20-year fixed rate;
 - Favorable prepayment flexibility with penalty prior to 2029 but no penalty thereafter;
 - Lenient continuing disclosure covenants;
 - Minimal closing costs; and,
 - The interest rate is fixed until final maturity, eliminating any future interest rate risk.



Timetable / Next Steps

Date		Action
Early 2024	✓	PFA was authorized in the General Assembly's legislative session
April	✓	City Adopted Reimbursement Resolution
April/May / June	✓	City Amended Charter Provisions
July	✓	PFA members appointed, PFA Organizational Meeting
September 23		Davenport Distributed Request for Proposals to Local, Regional and National Banking Institutions
End of September / Early October		Davenport communicated with potential lenders
October 8		Davenport Received Responses to the Request for Proposals
October 15		<u>Special Called Public Facilities Authority Meeting:</u> Davenport to present RFP results and recommendations. PFA to adopt Bond Resolution and other necessary financing documents.
October 15		<u>Regular City Council Meeting:</u> Davenport to present RFP results and recommendations. City Council to adopt City Resolution and other necessary financing documents.
Week of November 4		Pre-closing / Validation
November 12		Close on Series 2024 Bond



Appendix – RFP Bid Results Summary

City of Chamblee, Georgia

RFP Bid Results Summary – 15 Year Term Option



Public Facilities Authority of the City of Chamblee, Georgia Revenue Bond, Series 2024				
Lender	Interest Rate	Fixed or Variable	Prepayment Provisions	Lender Counsel Fee
Option 1 (15-Year Term)				
JP Morgan Chase Bank	Option A: 3.63% (Indicative, Subject to Change)	Fixed	Non-Callable	\$5,000
	Option B: 3.94% (Indicative, Subject to Change)	Fixed	Callable on or after February 1, 2029	
	Option C: 3.75% (Indicative, Subject to Change)	Fixed	Callable on or after February 1, 2032	
TD Bank	Option A: 3.64%	Fixed	Make-Whole Call	\$12,500
	Option B: 3.79%	Fixed	Closing to February 1, 2031: Make-Whole Call February 1, 2031 and thereafter: 100%	
	Option C: 3.91%	Fixed	Closing to February 1, 2027: 102% February 1, 2027 and thereafter: 100%	
Huntington	3.79%	Fixed	Closing to February 1, 2029: 102% February 1, 2029 and thereafter: 100%	\$3,000
Webster Bank	3.95%	Fixed	Closing to January 31, 2028: No Call February 1, 2028 to January 31, 2029: 102% February 1, 2029 to January 31, 2032: 101% February 1, 2032 and thereafter: 100%	\$0
Trulst	4.23%	Fixed	Callable on or after February 1, 2034	\$5,000
	4.35%	Fixed	Callable on or after February 1, 2031	
Zions Bank	4.02%*	Variable	Anytime and No Prepayment Penalty	\$0
Synovus Bank	4.08%	Fixed	Anytime and No Prepayment Penalty	\$5,000
Capital One	4.79%	Fixed	Callable on or after February 1, 2032	\$0
United Community Bank	4.96%	Fixed	Make-Whole Call	\$0
	5.16%	Fixed	Anytime and No Prepayment Penalty	

*Note: Fixed-rate for 10 years then the rate will reset on February 1, 2034, and annually thereafter, at the 1-year FHLB Des Moines Advanced Rate Index plus a spread of 90 bps.

RFP Bid Results Summary – 20 Year Term Option



Public Facilities Authority of the City of Chamblee, Georgia Revenue Bond, Series 2024				
Lender	Interest Rate	Fixed or Variable	Prepayment Provisions	Lender Counsel Fee
Option 2 (20-Year Term)				
Zions Bank	4.04%*	Variable	Anytime and No Prepayment Penalty	\$0
Huntington	4.06%	Fixed	Closing to February 1, 2029: 102% February 1, 2029 and thereafter: 100%	\$3,000
Webster Bank	4.12%	Fixed	Closing to January 31, 2030: No Call February 1, 2030 to January 31, 2032: 102% February 1, 2032 to January 31, 2034: 101% February 1, 2034 and thereafter: 100%	\$0
Truist	4.42%	Fixed	Callable on or after February 1, 2034	\$5,000
	4.54%	Fixed	Callable on or after February 1, 2031	
Capital One	4.85%	Fixed	Callable on or after February 1, 2034	\$0
United Community Bank	4.98%	Fixed	Make-Whole Call	\$0
	5.18%	Fixed	Anytime and No Prepayment Penalty	

*Note: Fixed-rate for 10 years then the rate will reset on February 1, 2034, and annually thereafter, at the 1-year FHLB Des Moines Advanced Rate Index plus a spread of 90 bps.

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