

**Spotsylvania County
Board of Supervisors Agenda
Executive Summary**

Meeting Date: June 22, 2021

Title: Authorization for the Sale of 2021 EDA Public Facilities Revenue Refunding Bonds and Authorization of Future Public Hearing

Type: Action, Resolution

Agenda Title: Authorization for the Sale of 2021 EDA Public Facilities Revenue Refunding Bonds and Authorization of Future Public Hearing

Recommendation:

1) Approve the attached resolution and related documents authorizing the issuance of up to \$31,000,000 in 2021 EDA Public Facilities Revenue Refunding Bonds for the purpose of refunding certain outstanding bonds to achieve debt service savings.

2) Authorize a public hearing to be held following the sale of the bonds (date TBD) to receive comment on the adjustment that will be necessary to the FY 2022 Budget to reflect these bond proceeds, issuance costs, and payoff of the refunded bonds.

Summary:

Our financial advisors have determined that an estimated \$3.0 million in debt service savings may be achieved through the refunding of the Series 2011 and Series 2012 EDA bonds.

The attached resolution is presented for the Board's approval to allow staff to move forward on the process of issuing the refunding bonds. We *refund* for the purpose of gaining interest savings. We do not *refinance* which extends the length of payback term on the bonds.

A future budget adjustment will be necessary to record the bond proceeds and issuance costs once the transaction is finalized. Due to the dollar amount of the future budget adjustment, a public hearing will be required.

Staff requests that the Board approve the attached resolution and related documents for the EDA issuance to occur this summer. As is always the case when we request Board approval of bond documents, the documents are subject to further edits as we finalize the bond transaction. The documents are substantially complete at this time. Additionally, staff requests that a public hearing to budget the bond proceeds be authorized to follow the closing of the bond sale, the timing of which is to be determined.

Financial Impact: Approximately \$3.0 million in debt service is expected to be saved over the remaining 11-year life of the refunded bonds.

Staff Contacts: Bonnie Jewell, Assistant County Administrator/Chief Financial Officer

Legal Counsel: Richard L. Hurlbert, Jr., Bond Counsel

Additional Background/Other Considerations:

Consequence of Denial/Inaction: If approval is denied, the bonds will not be issued and saving in existing debt service costs through refunding of previously issued bonds will not be achieved.

ATTACHMENTS:

File Name	Description	Type
BOS_Resolution_-	Resolution	Resolution

_Series_2021_EDA_Refunding_Bonds_(4v3).docx		
NOS_(2v1).docx	Notice of Sale	Backup Material
POS_(2v1).docx	Preliminary Official Statement	Backup Material
Appendix_C.docx	Appendix C	Backup Material
Ninth_Supplemental_Financing_Agreement_(2v1).docx	Ninth Supplemental Financing Agreement	Backup Material
Tenth_Supplemental_Agreement_of_Trust_(2v1).docx	Tenth Supplemental Agreement of Trust	Backup Material
Second_Amendment_to_Prime_Lease_(2v1).docx	Second Amendment to Prime Lease	Backup Material
Second_Amendment_to_Lease_Agreement_(2v1).docx	Second Amendment to Lease Agreement	Backup Material
Second_Amendment_to_Assignment_Agreement_(2v1).docx	Second Amendment to Assignment Agreement	Backup Material