



STATE BOND COMMISSION

March 15, 2018

Local Political Subdivisions - Bonds - Preliminary Approval

SYNOPSIS

APPLICATION NO: L18-094
ENTITY: Caddo Parish, City of Shreveport
TYPE OF REQUEST: \$120,000,000 Revenue Bonds
ANALYST: Stephanie Blanchard

SUBMITTED BY:

Wes Shafto, Boles, Shafto & Leonard, LLC

PARAMETERS:

Notice of Intention to issue not exceeding \$120,000,000 Water and Sewer Revenue Bonds, in one or more series, taxable or tax-exempt, not exceeding 6%, not exceeding 25 years, (1) acquisition and construction of improvements, extensions and replacements and (2) funding a debt service reserve and/or paying cost of reserve fund surety bonds.

LEGISLATIVE AUTHORITY:

R.S. 39:1011-1025

RECOMMENDATION:

The Staff recommends approval of the notice of intent and preliminary approval of this application.

ATTACHMENTS:

- Analysis Summary
- Approval Parameter Form
- Fee Comparison Worksheet



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ANALYSIS SUMMARY

APPLICATION NO: L18-094
ENTITY: Caddo Parish, City of Shreveport
TYPE OF REQUEST: \$120,000,000 Revenue Bonds
ANALYST: Stephanie Blanchard

PARAMETERS:

This is a request to allow a public hearing to be held on April 10, 2018 for the issuance of bonds as follows:

Notice of Intention to issue not exceeding \$120,000,000 Water and Sewer Revenue Bonds, in one or more series, taxable or tax-exempt, not exceeding 6%, not exceeding 25 years, (1) acquisition and construction of improvements, extensions and replacements and (2) funding a debt service reserve and/or paying cost of reserve fund surety bonds.

Final approval of the State Bond Commission must be obtained prior to the actual sale and issuance of the bonds.

Selection Method: Private and Negotiated
Purchaser: Private - DEQ (Clean Water State Revolving Fund) (Up to \$20,000,000)
Negotiated - UBS Financial Services (\$100,000,000)
Interest Rate: Not exceeding 6%
Maturity: Not exceeding 25 years
Security: Income and revenues derived from the operation of the combined drinking water and wastewater collection, treatment, and disposal system (the "System"), after paying the reasonable and necessary costs and expenses of operating and maintaining the System.



LOUISIANA STATE BOND COMMISSION
APPROVAL PARAMETERS - BONDS / LOANS

SBC Tracking # L18-094
Agenda Item # 7

Applicant: * City of Shreveport, Parish of Caddo, State of Louisiana

Parameters / Purposes: *

Notice of Intention to issue not exceeding \$120,000,000 Water and Sewer Revenue Bonds, in one or more series, taxable or tax-exempt, not exceeding 25 years and bearing interest at a rate or rates not to exceed six percent (6.00%) per annum. The bonds will be issued for the purpose of of (i) financing the cost for the acquisition and construction of improvements, extensions and replacements to the System (ii) funding a debt service reserve and/or paying the cost of reserve fund surety bonds if necessary.

Citation(s): * La. R.S. 39:1011, et seq.

Security: * Income and revenues derived by the City from the operation of the combined drinking water and wastewater collection, treatment, and disposal system (the "System"), after paying the reasonable and necessary costs and expenses of operating and maintaining the System.

As Set Forth By: * Resolution adopted by the Governing Authority of the City of Shreveport, State of Louisiana on February 27, 2018.

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

STATE BOND COMMISSION
FEE COMPARISON WORKSHEET

Agenda Item # 7

Firm/Vendor	Paid From Proceeds Y / N	\$120,000,000 L18-094 Caddo Parish, City of Shreveport Revenue Bonds (Preliminary) March 15, 2018		\$23,000,000 L17-362 St. Tammany Parish, City of Slidell Revenue Bonds October 19, 2017		
		\$ Amount	\$ Per Bond	\$ Amount	\$ Per Bond	
ISSUANCE COSTS						
Legal						
Bond Counsel *	Boles Shafto & Leonard	Y	63,950	0.53	90,150	3.92
Co-Bond Counsel *	Washington & Wells Law Firm	Y	125,850	1.05		0.00
Issuer Counsel				0.00		0.00
Underwriter Counsel	Dentons	Y	42,500	0.35		0.00
Underwriter Co-Counsel	Jacqueline Scott, Esq.	Y	42,500	0.35		0.00
Preparation of Blue Sky Memo				0.00		0.00
Preparation of Official Statements				0.00		0.00
Disclosure Counsel	Joshua K. Williams & Associates	Y	31,500	0.26		0.00
Disclosure Repository	DAC Bond	Y	2,500	0.02		0.00
DEQ Counsel	Adams & Reese	Y	71,500	0.60	32,351	1.41
Total Legal			380,300	3.17	122,501	5.33
Underwriting						
Sales Commission				0.00		0.00
Management Fees	UBS Financial Services	Y	20,000	0.17		0.00
MSRP/CUSIP/PSA		Y	5,000	0.04		0.00
Takedown		Y	480,000	4.00		0.00
Day Loan		Y	4,535	0.04		0.00
Placement Fee				0.00		0.00
Total Underwriting			509,535	4.25	0	0.00
Credit Enhancement						
Bond Insurance	TBD	Y	525,000	4.38		0.00
Letter of Credit				0.00		0.00
Surety	TBD	Y	250,000	2.08		0.00
Total Credit Enhancement			775,000	6.46	0	0.00
Other						
Publishing/Advertising	The Shreveport Times	Y	5,000	0.04	5,000	0.22
Rating Agency(s)	S&P/Moody's	Y	150,000	1.25		0.00
Insurance				0.00		0.00
Bond Commission *	SBC	Y	52,550	0.44	12,525	0.54
Issuer Financing				0.00		0.00
Municipal Advisor	The RSI Group	Y	184,250	1.54	64,688	2.81
Trustee				0.00		0.00
Escrow Trustee				0.00		0.00
Paying Agent	Regions Bank	Y	7,500	0.06	2,000	0.09
Feasibility Consultants				0.00		0.00
Other Consultants				0.00		0.00
Printing of POS & OS	Ideal	Y	8,000	0.07		0.00
Account Verification				0.00		0.00
Escrow Verification				0.00		0.00
Miscellaneous	TBD	Y	15,000	0.13		0.00
Total Other			422,300	3.52	84,213	3.66
TOTAL ISSUANCE COSTS			2,087,135	17.39	206,714	8.99

* Bond Counsel and SBC fees are based on 2 issuances (\$100,000,000 and \$20,000,000)