

# Public Resources Advisory Group

## Heritage Harbor Community Development District

October 19, 2017

# Summary

- Existing Debt - \$1,410,000
  - \$525,000 outstanding Series 2008 Special Assessment Refunding Bonds, maturing 5/1/19
  - \$885,000 outstanding Series 1997 Recreational Revenue Bonds, maturing 5/1/23
- Current Status
  - Net Assessment Revenue of \$192,813 levied in FY18 to support Recreational Revenue Bonds
  - Identification of additional capital and operating/maintenance funding requirements
- Options
  - Option 1 - Refinance the Recreational Revenue Bonds now and fund additional capital improvements through special assessment-backed debt
    - Eliminates Interest Rate Risk
    - Immediate cash for capital improvements
    - Extends, but does not increase debt special assessments
    - District is committed to supporting golf course debt
  - Option 2 - Wait until FY19 to determine whether to continue to support the Recreational Revenue Bonds
    - The District faces interest rate risk if it decides to refinance in FY19
    - The District incurs the higher interest rate on the Recreational Revenue Bonds for an additional year
    - Limited ability, if any, to fund capital projects
    - The District maintains the ability to stop supporting the Recreational Revenue Bonds

# Option 1 - Series 2017 Special Assessment Note

- Wrap new debt service around existing Series 2008 Bonds
- No extension of Recreational Revenue Bonds final maturity
- Fund new capital projects at closing within the existing debt service profile

<b>Source:</b>	Special Assessment Refunding Revenue Note, Series 2017A (Golf Course Refunding)	Special Assessment Revenue Note, Series 2017B (Golf Course Improvements)	Total
<b>Bond Proceeds:</b>			
Par Amount	870,358.90	146,532.24	1,016,891.14
<b>Other Sources of Funds:</b>			
Series 1997 Golf Course Revenue Bonds Debt Service Reserve Fund	100,000.00		100,000.00
<u>Accrued Interest (from last payment on 11/1 to closing on 12/15)</u>	<u>8,288.19</u>		<u>8,288.19</u>
	108,288.19		108,288.19
	978,647.09	146,532.24	1,125,179.33
<b>Uses:</b>			
<b>Project Fund Deposits:</b>			
Golf Course Improvements (available at closing)		132,000.00	132,000.00
<b>Refunding Escrow Deposits:</b>			
Bond Principal	885,000.00		
<u>Interest until Call Date (min. 45 days – 2/3/18)</u>	<u>7,329.86</u>		
Total Cost	892,329.86		892,329.86
<b>Other Fund Deposits:</b>			
Series 2017 Debt Service Reserve Fund	23,836.41	4,013.06	27,849.47
<b>Delivery Date Expenses:</b>			
Estimated Cost of Issuance	62,480.82	10,519.18	73,000.00
	978,647.09	146,532.24	1,125,179.33

# Option 1 - Series 2017 Special Assessment Note

- Wrap new debt service around existing Series 2008 Bonds by deferring principal for two years
- No extension of Recreational Revenue Bonds final maturity
- Fund an estimated \$132,000 in new capital projects within the existing debt service profile
- Final amount of new capital projects funding available is dependent upon final interest rate and actual costs of issuance
- Golf Course Revenues are available for operations, maintenance, additional capital improvements, to repay general or to pay future debt service, reducing future special assessments

Date	Existing Special Assessments	Proposed Special Assessments	New Debt Service				Excess Cash Flow
	Existing Series 2008 Bonds	Net Assessment Revenues Required	Series 2017A (Golf Course Refunding)	Series 2017B (Golf Course Improvements)	Trustee Fees (1)	Net Debt Service Series 2017A&B	
5/1/2018	266,182.50	192,813.00 (2)	12,330.08	2,075.87	3,000.00	17,405.95	175,407.05 (3)
5/1/2019	281,502.00	0 (3)	32,638.46	5,494.96	3,000.00	41,133.42	-41,133.42 (3)
5/1/2020		281,502.00	238,364.10	40,130.60	3,000.00	281,494.70	7.30
5/1/2021		281,502.00	238,364.10	40,130.60	3,000.00	281,494.70	7.30
5/1/2022		281,502.00	238,364.11	40,130.60	3,000.00	281,494.71	7.29
5/1/2023		281,502.00	238,364.09	40,130.60	3,000.00	281,494.69 (4)	7.31
	547,684.50	1,318,821.00	998,424.94	168,093.23	18,000.00	1,184,518.17	134,302.83

(1) Annual fee for trustee services on the new debt to be paid from assessments

(2) Reflects net additional assessment previously approved for FY2018

(3) Assumes at least \$41,133.42 of FY2018 assessment is reserved to make FY2019 interest payment

(4) Debt Service Reserve of \$27,849.47 is expected to be available to apply to the final debt service payment