

Successor Agency Refunding Bonds

The City of Coronado notified the community via the August 31 City Manager's Weekly Update newsletter of recent action taken by the Successor Agency to the former Coronado Development Agency to refinance its outstanding debt. This refinancing is being undertaken by the Successor Agency, an entity separate from the City of Coronado, however City staff is being asked by Coronado residents how they can purchase these bonds.

Residents who are interested in purchasing bonds should contact Pat Toutant at Piper Jaffray at (612) 303-5537. Pricing on the bonds should occur September 18. The bonds are scheduled to close in the next month. The 2018 Tax Allocation Refunding Bonds Series A is expected to total \$122 million. The underwriters are Piper Jaffray (joint-senior bookrunner), J.P. Morgan (joint-senior bookrunner) and Stifel (co-manager). The bonds will be offered at \$5,000 minimums. *

The Successor Agency acted to refinance its outstanding bonds and loans solely to help the Coronado Unified School District, which will realize substantial benefits. The refunding of bonds will allow the obligations to be paid off early and the School District to resume receiving its entire allocation of property taxes from the county, which is about seven years sooner than under the current plan.

The City is not benefiting nor is it harmed in any way from the refinancing action. It stands to gain nothing from the early payoff of the outstanding obligations of its former redevelopment agency, except that if the School District benefits so does the community.

***Disclaimer: The information provided above shall not be construed as an offer to sell bonds nor a solicitation to buy these bonds. Bonds may only be purchased through a broker-dealer.**