

STAFF REPORT

August 26, 2019

Topic: Approval of bonding to finance the repair and restoration of the historic Colonial Theater.

Discussion: At its meeting of July 22, 2019 the Council approved resolution 2019-19 authorizing the issuance of bonds for the restoration of the historic Colonial Theater. Since then staff has been working with Bank of New Hampshire and bond attorneys with the firm of Devine Millimet to finalize the issuance.

Counsel has advised two changes to the bond resolution. Both relate to the fact that the Colonial Theater is within the Downtown Tax Increment Financing District. Resolution 2019-19 stated that the bond is authorized under RSA Chapter 33 ‘and other enabling authority’ but does not specifically reference TIF enabling legislation, RSA Chapter 162. The proposed resolution affords greater clarity that the issuance is under the authority both RSA Chapters 33 and 162. This is important for two reasons. First, TIF funds will be used in the payment of bond principal and interest. Second, RSA Chapter 162, provides greater clarity relating to the issuance of bonds for the improvement of an asset that the City does not yet own, as is the case with the Colonial Theater.

If Council approves the motions listed below it is anticipated that closing could occur on September 24, 2019. Counsel advises that a new Finance Committee meeting is not necessary, as there are no proposed changes in the interest rate or bond terms.

Fiscal Impact: The fiscal impact in FY20 will be approximately \$175,000.

Staff Recommendation: The City Manager recommends approving this resolution authorizing bonds for the repair and restoration of the historic Colonial Theater under the provisions of RSA Chapters 33 and 162 in the amount of \$6,700,000.

This report submitted by: Glenn Smith, Finance Director

Proposed motions:

“I move to waive a reading of this resolution in it’s entirety and to read by title only.”

“I move a first reading of Resolution RES-2019-21, a resolution relative to authorizing the City Manager to take any actions necessary to issue bonds for the repair and restoration of the historic Colonial Theater in the amount of \$6,700,000.”

“I move to schedule a public hearing during the regular Council meeting of September 9, 2019 regarding the issuance of a bond to finance the repair and restoration of the historic Colonial Theater in the amount of \$6,700,000 to gather public input prior to adoption.”