

Mullica Township Municipal Building



PROPOSED PROJECT OF THE ATLANTIC COUNTY
IMPROVEMENT AUTHORITY

AGENDA

- 1) Need for Project - Mayor Kristi Hanselmann
- 2) Conceptual Design - William McLees, Principal of William McLees Architecture
- 3) ACIA Background and Project Implementation–Tim Edmunds, Director of Projects and Engineering, Atlantic County Improvement Authority
- 4) Project Structure –John Lamey, Executive Director, Atlantic County Improvement Authority
- 5) Project Financing - Doug Bacher, Financial Advisor of NW Financial
- 6) Next Steps - Kevin McManimon, Bond Counsel of McManimon Scotland Baumann
- 7) Wrap Up and Questions?

Mayor Hanselmann

Why have we explored a new Municipal Complex?

- The current building was built in the 1960's and has outlived its useful life
- The building needs ADA Compliance work
- The building has had multiple roof leaks and repairs over the years
- The storage for the Township and the PD is in a basement and not properly stored
- No ADA Compliance in the Police Department
- No running water, bathrooms, holding cells, sally port or proper storage in the Police Department
- Put on Notice for Hazardous Working Conditions
- Does not comply with Safe Haven requirements

Current Conditions



Current Conditions



Current Conditions



Current Conditions



Current Conditions Video

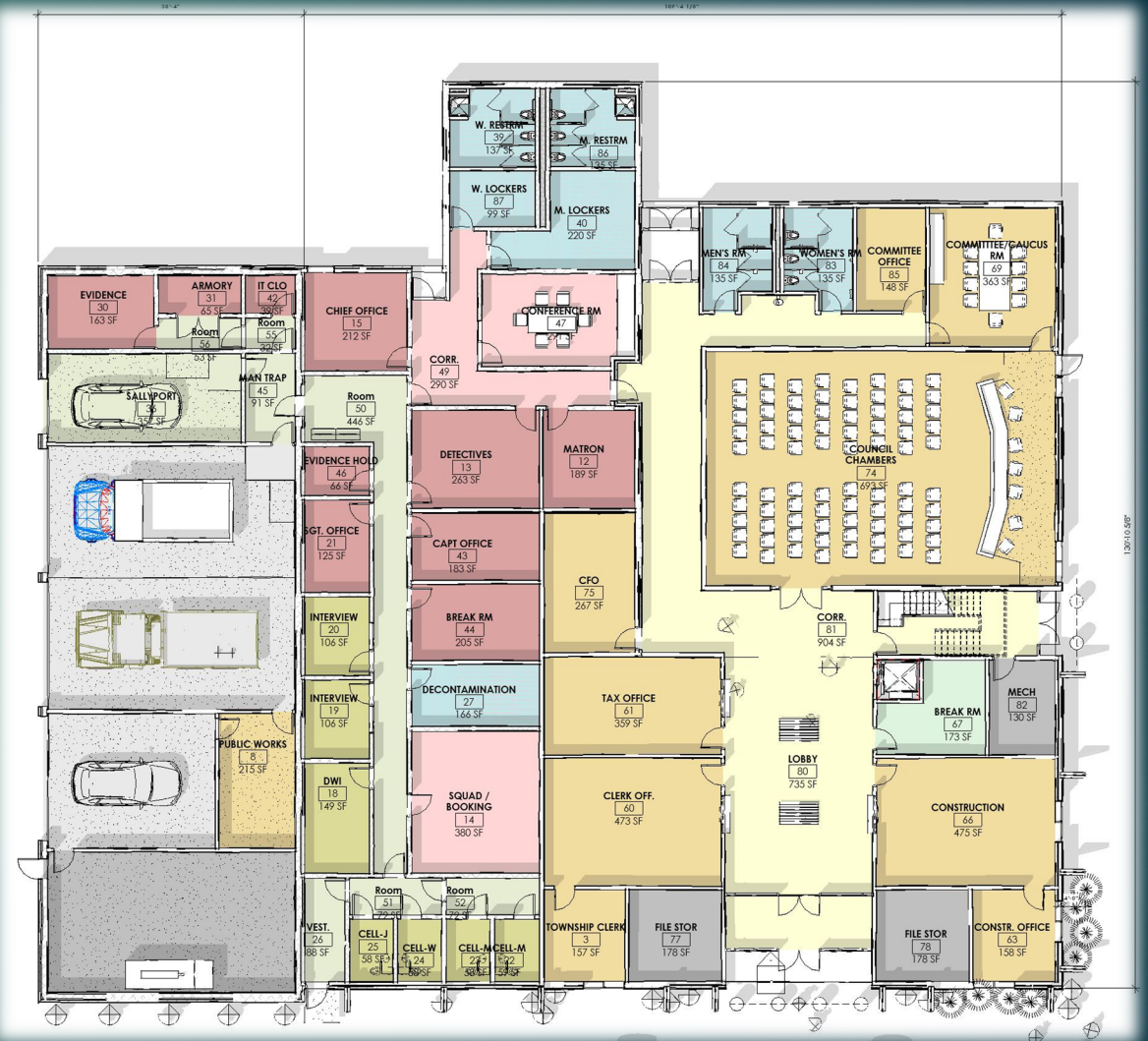
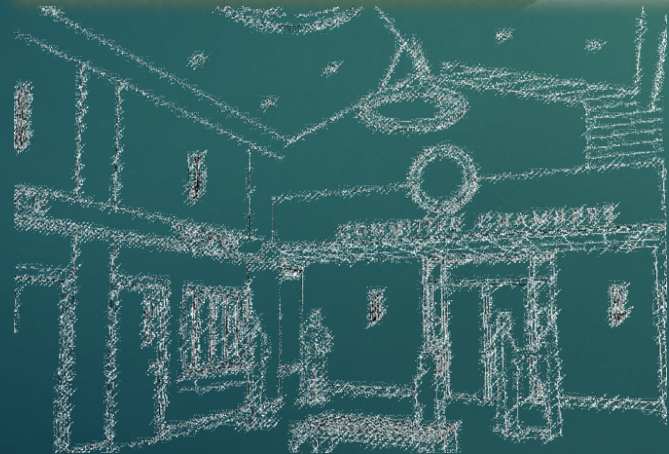
Conceptual Design

- ▶ William McLees, Principal of William McLees Architecture

Conceptual Design



Aerial View



Floor Plan

Conceptual Design



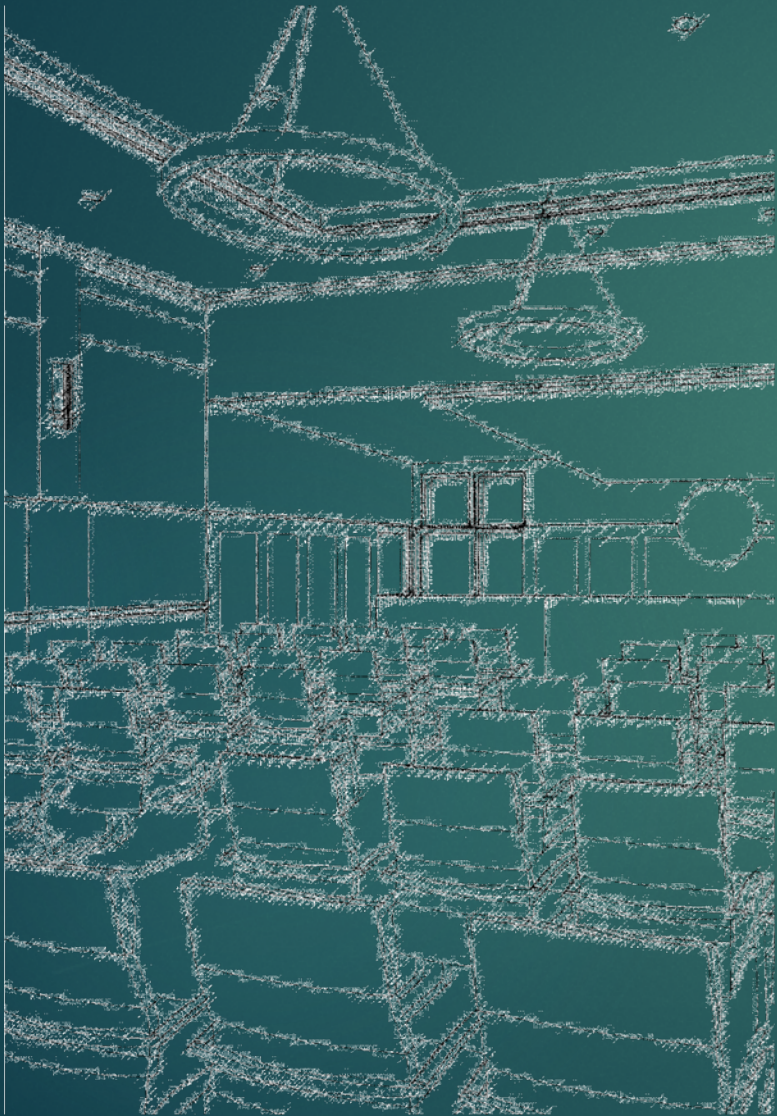
Conceptual Design



Conceptual Design



Conceptual Design



ACIA Background and Project Implementation

Tim Edmunds ACIA

The Atlantic County Improvement Authority (ACIA) Project Management department plans, develops and manages public improvements such as schools, municipal buildings, transportation facilities, housing developments, infrastructure redevelopment, roadway construction and beautification, and convention facilities.

In the past three years we have overseen over \$29.7 Million in construction including the 69,000 s/f first building at the National Aviation Research and Technology Park, 27,000 s/f first building at Cape May Technical Village and the 22,000 s/f student success building at Atlantic Cape Community College.

Our role varies from project to project and includes planning and permitting, selection and oversight of design/development teams, requests for proposal and contract administration, contractor oversight and coordination, infrastructure construction, SHPO (State Historic) compliance, environmental assessment and asbestos abatement, and post-construction monitoring.

Project Structure – John Lamey, ACIA

- Mullica owns the land and existing Municipal Building/Police Station (the “Municipal Complex”)

UPON TOWNSHIP AUTHORIZATION TO PROCEED:

- ACIA will enter in to a long term lease for the land and Municipal Complex from Township
- ACIA will issue Bonds or initially notes to finance demolition and the construction of the new Municipal Complex
 - Construction of Project, Soft Costs (ie, design, etc), Costs of Issuance
 - We have financed nearly \$150 million in Public Projects over the last few years
- The ACIA will build the new building according to the plans approved by Mullica
- ACIA and Township will enter into a Lease Purchase Agreement, pursuant to which the ACIA will lease the property and new Municipal Complex to Township; Township to make rental payments to ACIA at such times and in such amounts as are necessary to pay debt service on the ACIA Bonds.
- At the end of the lease period Mullica will own the building.

Project Financing

- ▶ Doug Bacher,
ACIA Financial Advisor of NW Financial



NW FINANCIAL GROUP, LLC
Exceeding Expectations

**Atlantic County Improvement Authority
Township of Mullica Project**

Proven Reputation Experienced Professionals Superior Client Service

The Sale of Bonds or Notes

- ◆ Notes or bonds sold by the Township of Mullica through the Atlantic County Improvement Authority will be sold on the credit rating of the Township.
- ◆ In 2007 Mullica Township was given a Baa1 rating by Moody's Investors Service. A rating recalibration was performed by Moody's in 2010 which upgraded the Townships rating to an A1.
- ◆ As of February 17, 2015, this A1 rating has been withdrawn by Moody's.



The Sale of Bonds or Notes

- ◆ Decision to sell either Bonds and/or Notes to be made closer to the sale date

- ◆ Determining factors:
 - ◆ Trending movement of interest rates up or down at time of sale
 - ◆ Long term vs short term interest rates at time of sale
 - ◆ The timing and the need of capital funds
 - ◆ Township budget requirements



30 Year Bond Issuance

- ◆ Based on current market conditions, the Township would be able to issue \$6,400,000 30 year bond at an all in TIC of approximately 3.152% and annual debt service of approximately \$412,000 per year.
- ◆ Actual interest rate will be subject to market conditions at the time of the sale.
- ◆ The TIC is calculated based on the following assumptions:
 - ◆ \$6,400,000 Bond Issuance
 - ◆ Mullica's previous 2010 recalibrated rating of A1
 - ◆ Current Market Rates
- ◆ The Township's Credit rating to be determined upon a credit review by Moody's



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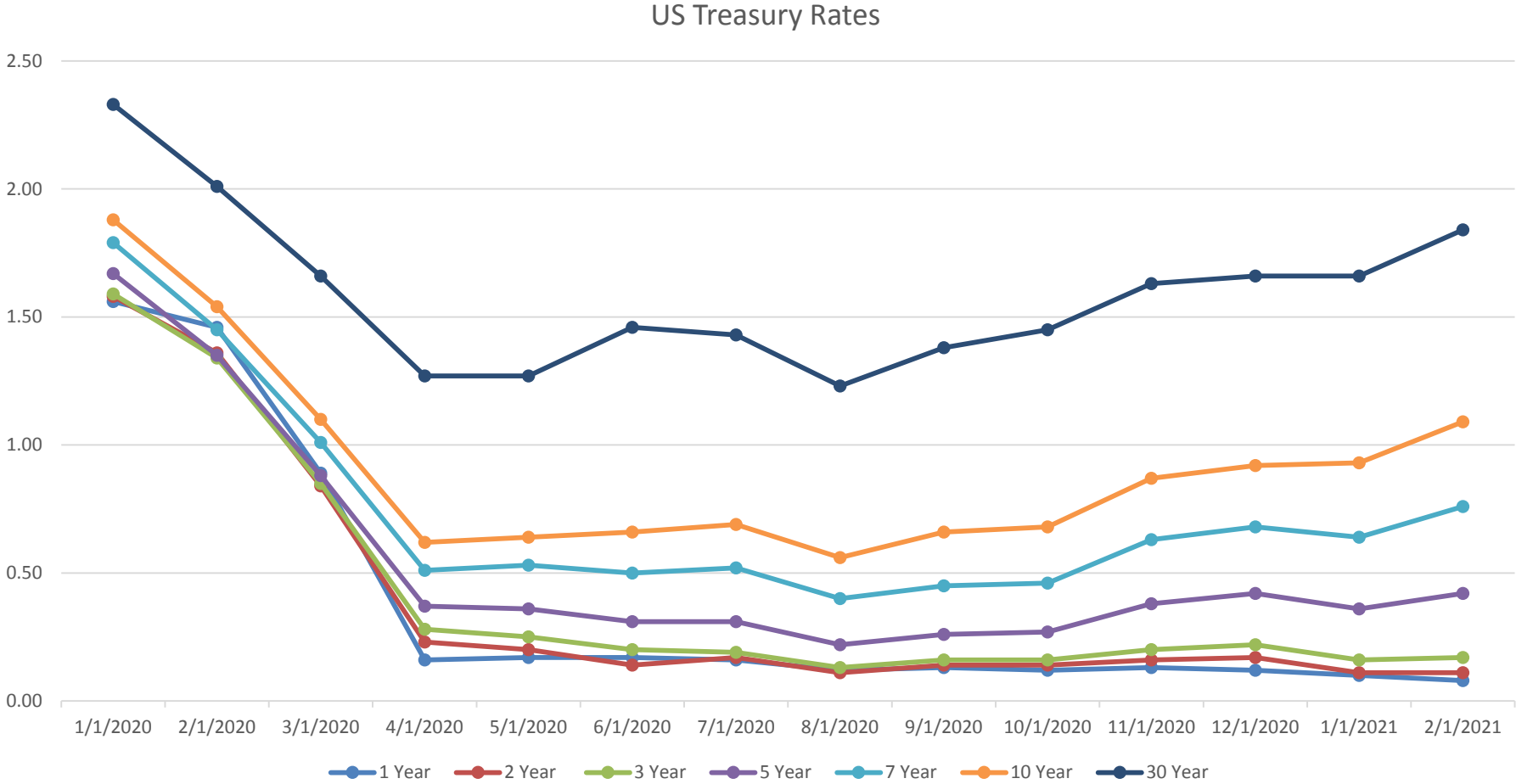


Why Use the ACIA

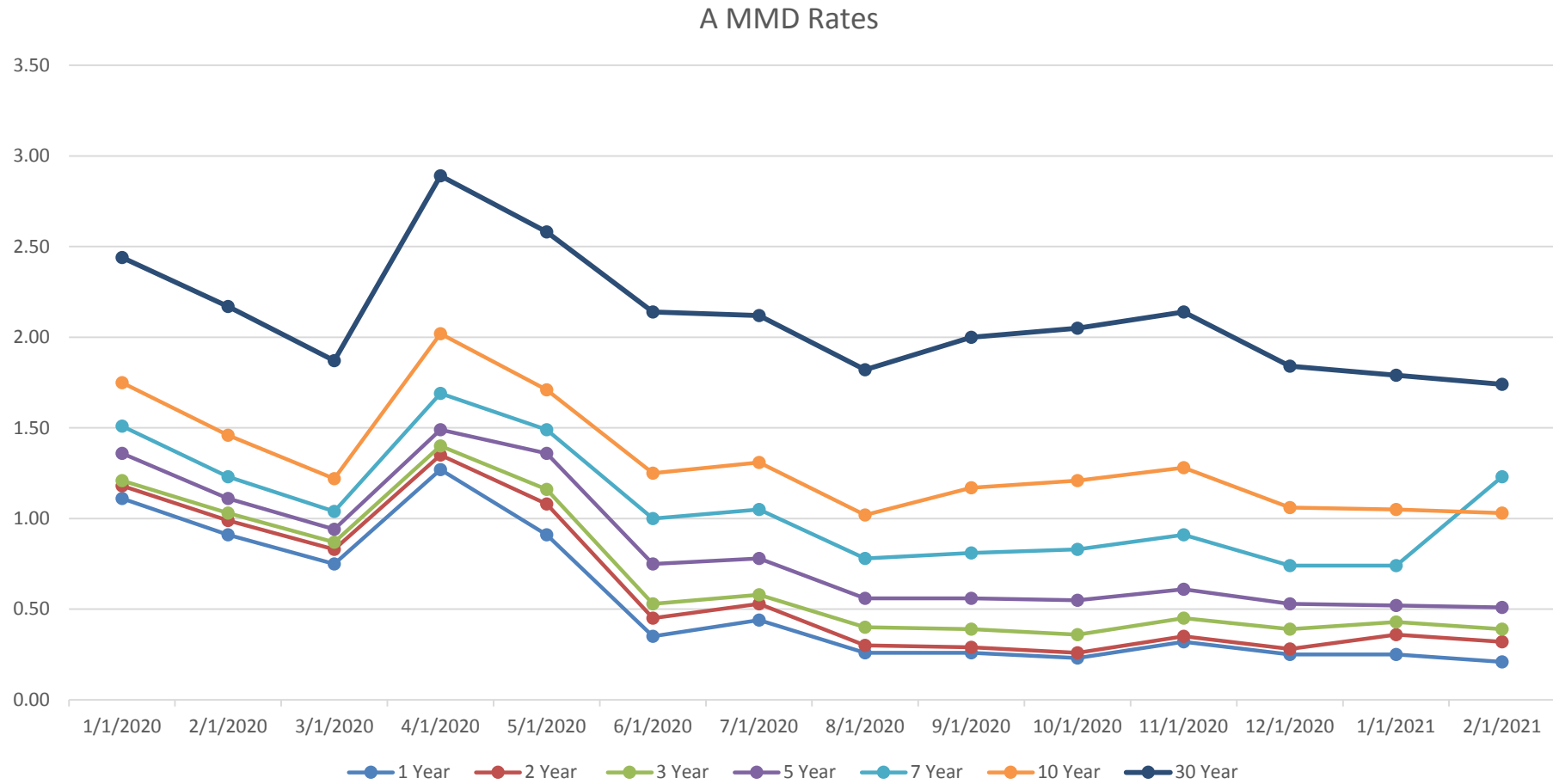
- ◆ Experience and expertise regarding muni construction
- ◆ Ongoing construction management
- ◆ GO Capital Lease vs GO Bond structure
- ◆ Ability to structure Negotiated vs Competitive bond sale
- ◆ ACIA frequent issuer of bonds in the muni market



US Treasury Rates



A MMD Rates



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Next Steps:

KEVIN MCMANIMON, OF MCMANIMON SCOTLAND
BAUMANN, ACIA BOND COUNSEL

Next Steps

Upon Approval of Mullica Township:

- February 2021 –
 - Township to introduce General Obligation Lease Ordinance
 - ACIA file Local Finance Board application
- March 2021 –
 - Commence Project Design
 - Local Finance Board Hearing
 - Atlantic County Executive to approve ACIA adoption of Bond Resolution
 - Atlantic County Board of Commissioners adopt Consenting Resolution
 - ACIA adopt Bond Resolution/Township adopt General Obligation Lease Ordinance
- April 2021
 - Planning Board Courtesy Review Presentation
 - Pinelands Application
- April/May 2021 – ACIA issues Bonds (or Notes) and commences Project Design and Construction
- Project Construction – 12 to 13 Months

Wrap up and Questions?

