

\$12,725,000*
City of Smyrna (Georgia)
Tax Allocation District Bonds, Series 2019*

Dated: Date of Delivery	Physical Paper Bond	Final Maturity: February 1, 2040*
1. Expected Timetable*	Formal Placement Agreement signing: Monday, October 21, 2019 Date of delivery/closing: Week of November 18, 2019	
2. Issuer	The City of Smyrna is located in Cobb County approximately 15 miles to the northwest of the City of Atlanta. In 2017, the City had an estimated population of 56,685.	
3. Tax Allocation District	The Atlanta Road Corridor Tax Allocation District (the "TAD") boundaries are fully described in the bond documents and approximated in the map included as Exhibit A. The TAD is essentially the property located on Atlanta Road between Windy Hill Road and Spring Road. The anchors of the TAD are the former Belmont Hills shopping center property at the corner of Atlanta Road and Windy Hill Road and Jonquil Plaza at the corner of Atlanta Road and Spring Road. See attached Exhibit A for a map of the TAD boundaries.	
4. Purpose of the Bonds	The proceeds of the bonds are being used to refinance an outstanding obligation of the City which was originally incurred to finance public infrastructure within the Atlanta Road Corridor Tax Allocation District.	
5. No Rating	Non-rated private placement.	
6. Investment Letter	The purchaser(s) will be required to deliver a Raymond James approved traveling Institutional Investment Letter to Raymond James and the City.	
7. Tax Status	Interest on the Bond will be exempt from Federal and State of Georgia Income taxes. <u>NOT</u> Bank-Qualified	
8. Security	The Bonds are secured by a pledge of "incremental" taxes produced each year by applying City of Smyrna and Cobb County regular millage rates on the assessed value all property within the Tax Allocation District and subtracting from the total the original "base year" taxes plus City of Smyrna and Cobb County regular millage rates on \$5,499,873 of assessed value of property within the Tax Allocation District (collectively "pledged tax revenues"). These pledged tax revenues constitute the sole security for the bonds. Any pledged tax revenues in a given tax year are first applied to accrued interest (current and prior, if any), then to mandatory principal redemptions and then, to any unpaid but past due mandatory principal redemptions, then to any remaining outstanding principal balance in inverse order of maturity and in increments of \$5,000.	

9. Financials of the City

The City’s financials are available using the following link. However, the City’s financials are not representative of the financial health of the Tax Allocation District.

<https://www.smyrnaga.gov/your-government/departments/finance/annual-budget-financial-audit-reports>

10. Expected Structure*

Mandatory Principal Redemption		Mandatory Principal Redemption	
<u>February 1</u>	<u>Principal</u>	<u>February 1</u>	<u>Principal</u>
2020	100,000	2030	100,000
2021	100,000	2031	100,000
2022	100,000	2032	100,000
2023	100,000	2033	100,000
2024	100,000	2034	100,000
2025	100,000	2035	100,000
2026	100,000	2036	100,000
2027	100,000	2037	100,000
2028	100,000	2038	100,000
2029	100,000	2039	100,000
		2040	10,725,000

**Each year pledged tax revenues collected above the amount required for accrued interest plus mandatory Principal redemption will be applied to redemption of as much outstanding principal balance in increments of \$5,000 in inverse order of maturity as a “Super-Sinker”.*

11. Interest Rate

3.65%, calculated with a 30/360 basis day count method

12. Interest Due Dates*

Annually on February 1; commencing February 1, 2020.

13. Redemption Provisions*

Mandatory principal redemptions of \$100,000 each year beginning February 1, 2020 at par plus redemption at par on each February 1 of outstanding principal in inverse order of maturity in increments of \$5,000 from pledged tax revenues generated in the tax allocation district after payment of accrued interest on all outstanding bonds on each February 1 before such February 1 principal redemptions.

14. Additional Bonds

No additional bonds secured by the tax increment may be issued with the exception of bonds issued for the purpose of refunding existing bonds.

15. Investment Considerations

Some investment considerations are as follows:

- 1) Bonds are secured solely by the taxes described in Section 8 which are generated from within the tax allocation district.
- 2) No Rate Setting Ability – The incremental taxes are calculated by applying the normally applicable City and County millage rates to the regularly assessed value of the property in the district. The City and County will not adjust its tax rate solely for the reason of increasing the tax increment. Likewise, the City has no ability to adjust the County’s tax rate whatsoever.
- 3) County pledged tax revenues are only pledged through tax year 2033 (2/1/34 payment). The City’s pledged tax revenues are pledged through tax year 2039 (2/1/40).

- 4) Condemnation – Certain properties within the Tax Allocation District (primarily those along Windy Hill Road) have been or may be condemned by the City for public use. Those properties will have a tax value of \$-0- as they will be owned by the City.
- 5) Interest Carried Forward – If, in any given year, pledged revenues are insufficient to pay the mandatory principal redemption (\$100,000) and scheduled interest, those then unpaid amounts will accrue and remain payable until the earlier of payment or the final maturity of the loan.

16. **Outstanding Bonds**

The City has several bond issues outstanding that are payable from tax levies of the City.

However, the Series 2019 Tax Allocation District Bond will be the only issue with a claim on the pledged tax revenues generated within the tax allocation district. No addition bonds, except refunding bonds, may be secured by tax allocation district incremental revenues.

17. **Debt Service Coverage**

The most recent calculation of the pledged tax revenues the tax allocation district would cover a hypothetical level debt service amortization approximately 1.29x.

In addition to the scheduled principal payments, a “super-sinker” will be utilized to pre-pay principal each year to the greatest extent possible. At estimated rates using current year tax collections, it is estimated that the bonds will be repaid in full by 2032.

18. **No Offering Document**

No offering document will be prepared in connection with the Series 2019 Bonds.

19. **Due Diligence and Credit Review**

The information contained herein and referred to herein is not intended to provide all of the information needed for the Purchaser’s due diligence and credit review. The Purchaser, without reliance on others, is responsible for its own due diligence and for confirming all facts related to the transaction.

20. **Bond Counsel**

Nelson Mullins Riley Scarborough, LLP (Atlanta, GA)

21. **Issuer’s Counsel**

Cochran & Edwards, LLP (Smyrna, GA)

22. **Issuer’s Auditors**

Nichols, Causey & Associates, LLC

23. **Registrar and Paying Agent**

To Be Determined

24. **CUSIP Election**

Pursuant to MSRB Rule G-34, the proposal must indicate either a) the prospective purchaser elects to have CUSIP numbers assigned to the bond or b) the prospective purchaser is a bank and its present intent is to hold the bond to maturity in which case no request will be made for assignment of CUSIP numbers.

ACCEPTED AND AGREED TO:

CITY OF SMYRNA, GEORGIA

BY: _____

TITLE: _____

DATE: _____

VININGS BANK

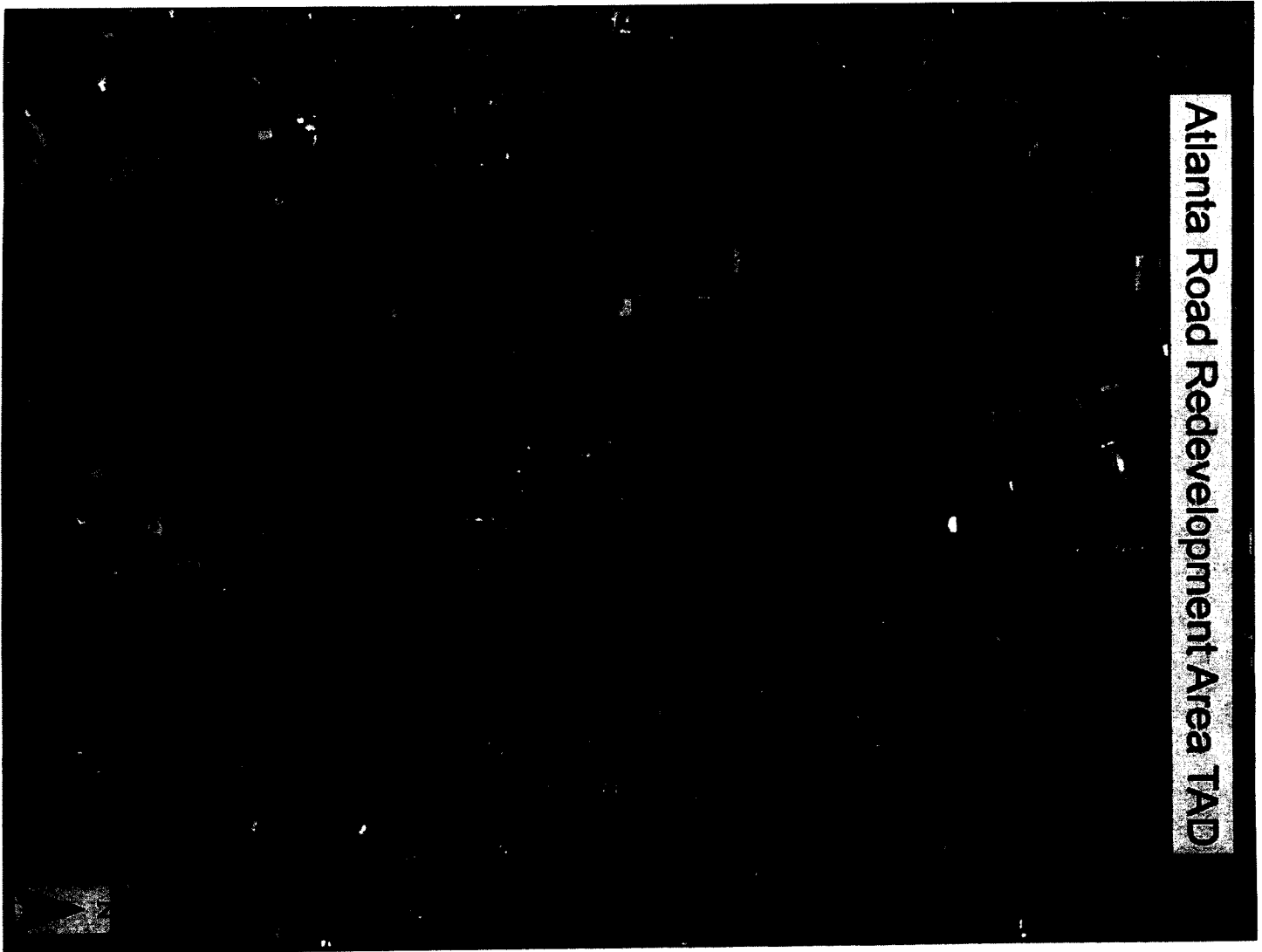
BY: _____

TITLE: _____

DATE: _____

Exhibit A

Tax Allocation District One "Atlanta Road Corridor" Boundaries*



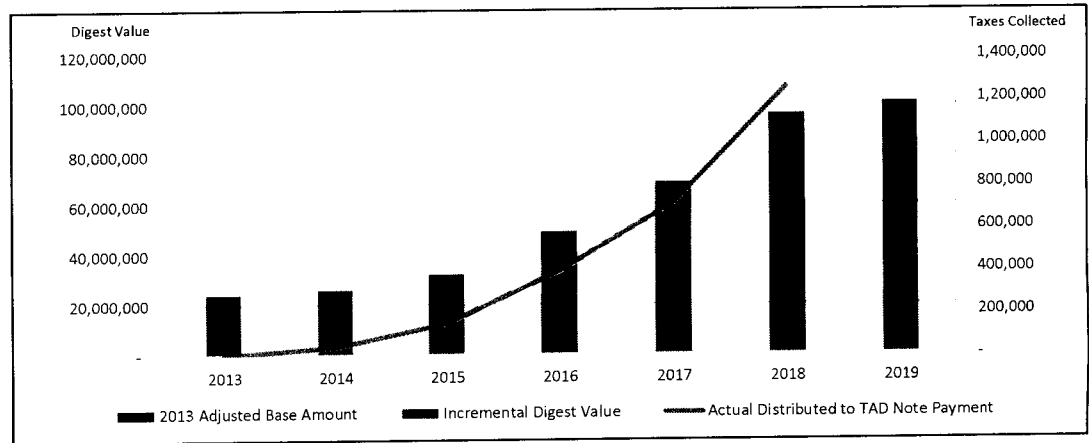
**Map demonstrates the approximate boundaries of the Tax Allocation District for reference purposes only. The map is believed to be accurate but the written legal description of the district boundaries will be used for determining the precise boundaries of the Tax Allocation District.*

Exhibit B

Base and Incremental Tax Digest Values and Collections

	2013	2014	2015	2016	2017	2018	2019
M&O Digest Value (Net of exemptions)	23,978,867	26,104,215	32,286,903	49,451,390	69,148,674	96,738,729	101,073,312
Less: 2003 Base Value (Net Digest)	29,478,740	29,478,740	29,478,740	29,478,740	29,478,740	29,478,740	29,478,740
Add Back: Portion of the "Base" Digest	5,499,873	5,499,873	5,499,873	5,499,873	5,499,873	5,499,873	5,499,873
Incremental Digest Value	-	2,125,348	8,308,036	25,472,523	45,169,807	72,759,862	77,094,445
<u>City</u> M&O Millage Rate	8.99	8.99	8.99	8.99	8.99	8.99	8.99
Levy of <u>City</u> Incremental Taxes	-	19,107	74,689	228,998	406,077	654,111	693,079.06
<u>County</u> M&O Millage Rate	7.52	7.32	7.12	6.66	6.76	8.46	8.46
Levy of <u>County</u> Incremental Taxes	-	15,558	59,153	169,647	305,348	615,548	652,219.00
Combined Incremental Tax Levy	-	34,664	133,842	398,645	711,424	1,269,660	1,345,298
Actual Distributed to TAD Note Payment	n/a	37,402	142,733	387,411	706,203	1,251,846	---

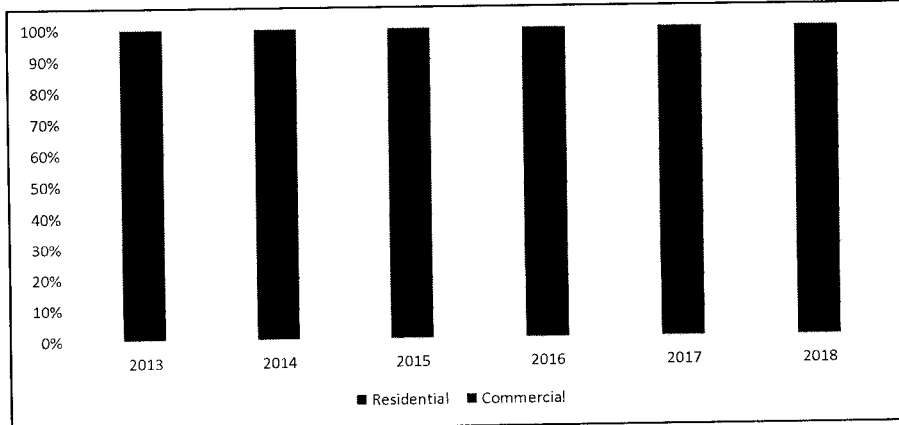
2019 Billed but Not Yet Collected



Source: Georgia Department of Revenue: Tax Digest Consolidated Summaries Website; City of Smyrna

Distribution of TAD Tax Digest Values

	2013	2014	2015	2016	2017	2018
Residential	1,777,996	3,589,512	4,571,600	11,199,180	16,445,204	23,572,468
Residential % of Total Value	7.41%	13.68%	14.15%	22.64%	23.78%	24.36%
Commercial	22,200,871	22,654,595	27,732,201	38,266,942	52,717,018	73,175,107
Commercial % of Total Value	92.59%	86.32%	85.85%	77.36%	76.22%	75.64%
Total Value	23,978,867	26,244,107	32,303,801	49,466,122	69,162,222	96,747,575



Source: Georgia Department of Revenue: Tax Digest Consolidated Summaries Website;