

3. Report of Bond Sale – \$122,270,000 Series 2025 Capital Improvement Bonds for Soccer Stadium & Amphitheater



Item Number: 3

CITY OF GRAND RAPIDS AGENDA ACTION REQUEST

DATE: June 10, 2025

TO: Mark Washington, City Manager

COMMITTEE: Fiscal Committee

LIAISON: Molly Clarin, Chief Financial Officer

FROM: Tricia Chapman, Administrative Services Officer II
Fiscal Services

**SUBJECT: Report of Bond Sale – \$122,270,000 Series 2025 Capital
Improvement Bonds for Soccer Stadium & Amphitheater**

On Wednesday, May 7, 2025, the City priced the \$122,270,000 General Obligation Limited Tax Capital Improvement Bonds (the “Bonds”) to pay a portion of construction costs for both the Acrisure Amphitheater and the Amway Soccer Stadium, as well as costs related to issuing the Bonds.

The Bond Purchase Agreement was signed on May 7, 2025, by Scott Saindon, Acting Chief Financial Officer. The issue closed and bond proceeds of \$127,998,882 (including premium) was delivered on Wednesday, May 21, 2025. The Bonds sold very well with orders exceeded the offering by more than nine times. The filing of a report disclosing the following information to City Commission is required:

Date of Issue	May 21, 2025
Manner of Sale	Negotiated
Principal Amount	\$122,270,000
Interest Rates	See Attachment 1
Reserve Requirement	None required
Sources and Uses of Funds	See Attachment 2
Credit Facility	None

The bonds were marketed by the underwriting team of Huntington Securities, Inc, PNC Capital Markets LLC and Fifth Third Securities, Inc. The bond sizing includes costs of issuance – bond and underwriters’ counsels, bond ratings, and other fees. For this sale, the City maintained a bond rating of Aa2 stable from Moody’s Investors Service and AA stable from S&P Global Ratings.

Debt service is to be paid from revenues of Kent County's hotel and lodging tax

transmitted to the City as per executed agreements. The tax was raised to 8% from 5% in January 2025 and is expected to cover annual debt service costs.

Please contact me at 616-456-3848 or via email at tchapman@grand-rapids.mi.us if you have any questions.


CORRECT IN FORM
CITY ATTORNEY

BOND PRICING

**City of Grand Rapids
County of Kent, State of Michigan
Limited Tax General Obligation Bonds, Series 2025
Final Numbers**

Bond Component	Maturity Date	CUSIP	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Bond Component:										
	04/01/2030	386226L69	1,700,000.00	5.000%	3.120%	108.415				143,055.00
	04/01/2031	386226L77	1,700,000.00	5.000%	3.160%	109.770				166,090.00
	04/01/2032	386226L85	1,700,000.00	5.000%	3.220%	110.875				184,875.00
	04/01/2033	386226L93	1,940,000.00	5.000%	3.300%	111.682				226,630.80
	04/01/2034	386226M27	2,235,000.00	5.000%	3.420%	111.986				267,887.10
	04/01/2035	386226M35	2,555,000.00	5.000%	3.540%	112.059				308,107.45
	04/01/2036	386226M43	2,895,000.00	5.000%	3.670%	110.916 C	3.766%	04/01/2035	100.000	316,018.20
	04/01/2037	386226M50	3,255,000.00	5.000%	3.810%	109.701 C	3.966%	04/01/2035	100.000	315,767.55
	04/01/2038	386226M68	3,640,000.00	5.000%	3.950%	108.502 C	4.140%	04/01/2035	100.000	309,472.80
	04/01/2039	386226M76	3,895,000.00	5.000%	3.980%	108.247 C	4.208%	04/01/2035	100.000	321,220.65
	04/01/2040	386226M84	4,090,000.00	5.000%	4.070%	107.487 C	4.312%	04/01/2035	100.000	306,218.30
	04/01/2041	386226M92	4,295,000.00	5.000%	4.180%	106.566 C	4.419%	04/01/2035	100.000	282,009.70
	04/01/2042	386226N26	4,510,000.00	5.000%	4.290%	105.655 C	4.517%	04/01/2035	100.000	255,040.50
	04/01/2043	386226N34	4,735,000.00	5.000%	4.390%	104.834 C	4.600%	04/01/2035	100.000	228,889.90
	04/01/2044	386226N42	4,970,000.00	5.000%	4.440%	104.427 C	4.645%	04/01/2035	100.000	220,021.90
	04/01/2045	386226N59	5,220,000.00	5.000%	4.500%	103.941 C	4.692%	04/01/2035	100.000	205,720.20
			53,335,000.00							4,057,025.05
Term Bond 2050:										
	04/01/2046	386226P24	5,480,000.00	5.000%	4.650%	102.737 C	4.810%	04/01/2035	100.000	149,987.60
	04/01/2047	386226P24	5,755,000.00	5.000%	4.650%	102.737 C	4.810%	04/01/2035	100.000	157,514.35
	04/01/2048	386226P24	6,045,000.00	5.000%	4.650%	102.737 C	4.810%	04/01/2035	100.000	165,451.65
	04/01/2049	386226P24	6,345,000.00	5.000%	4.650%	102.737 C	4.810%	04/01/2035	100.000	173,662.65
	04/01/2050	386226P24	6,660,000.00	5.000%	4.650%	102.737 C	4.810%	04/01/2035	100.000	182,284.20
			30,285,000.00							828,900.45
Term Bond 2055:										
	04/01/2051	386226P73	6,995,000.00	5.000%	4.720%	102.181 C	4.860%	04/01/2035	100.000	152,560.95
	04/01/2052	386226P73	7,345,000.00	5.000%	4.720%	102.181 C	4.860%	04/01/2035	100.000	160,194.45
	04/01/2053	386226P73	7,710,000.00	5.000%	4.720%	102.181 C	4.860%	04/01/2035	100.000	168,155.10
	04/01/2054	386226P73	8,100,000.00	5.000%	4.720%	102.181 C	4.860%	04/01/2035	100.000	176,661.00
	04/01/2055	386226P73	8,500,000.00	5.000%	4.720%	102.181 C	4.860%	04/01/2035	100.000	185,385.00
			38,650,000.00							842,956.50
			122,270,000.00							5,728,882.00

Dated Date	05/21/2025	
Delivery Date	05/21/2025	
First Coupon	10/01/2025	
Par Amount	122,270,000.00	
Premium	5,728,882.00	
Production	127,998,882.00	104.685436%
Underwriter's Discount	(427,945.00)	(0.350000%)
Purchase Price	127,570,937.00	104.335436%
Accrued Interest		
Net Proceeds	127,570,937.00	

BOND SUMMARY STATISTICS

City of Grand Rapids County of Kent, State of Michigan Limited Tax General Obligation Bonds, Series 2025 Final Numbers

	2025 Stadium Financing	2025 Gap Financing	Aggregate
Dated Date	05/21/2025	05/21/2025	05/21/2025
Delivery Date	05/21/2025	05/21/2025	05/21/2025
First Coupon	10/01/2025	10/01/2025	10/01/2025
Last Maturity	04/01/2055	04/01/2055	04/01/2055
Arbitrage Yield	4.541698%	4.541698%	4.541698%
True Interest Cost (TIC)	4.659830%	4.659826%	4.659829%
Net Interest Cost (NIC)	4.789965%	4.789962%	4.789964%
All-In TIC	4.684402%	4.684400%	4.684402%
Average Coupon	5.000000%	5.000000%	5.000000%
Average Life (years)	20.642	20.640	20.641
Weighted Average Maturity (years)	20.452	20.451	20.452
Duration of Issue (years)	12.871	12.870	12.871
Par Amount	96,000,000.00	26,270,000.00	122,270,000.00
Bond Proceeds	100,498,068.70	27,500,813.30	127,998,882.00
Total Interest	99,080,333.33	27,111,069.44	126,191,402.77
Net Interest	94,918,264.63	25,972,201.14	120,890,465.77
Bond Years from Dated Date	1,981,606,666.67	542,221,388.89	2,523,828,055.56
Bond Years from Delivery Date	1,981,606,666.67	542,221,388.89	2,523,828,055.56
Total Debt Service	195,080,333.33	53,381,069.44	248,461,402.77
Maximum Annual Debt Service	7,012,250.00	1,920,500.00	8,930,000.00
Average Annual Debt Service	6,532,922.79	1,787,645.12	8,320,567.91
Underwriter's Fees (per \$1000)			
Average Takedown			
Other Fee	3.500000	3.500000	3.500000
Total Underwriter's Discount	3.500000	3.500000	3.500000
Bid Price	104.335488	104.335243	104.335436

Bond Component	Par Value	Price	Average Coupon	Average Life	Duration	PV of 1 bp change
Bond Component	53,335,000.00	107.607	5.000%	14.023	10.224	42,927.55
Term Bond 2050	30,285,000.00	102.737	5.000%	22.959	14.015	24,228.00
Term Bond 2055	38,650,000.00	102.181	5.000%	27.959	15.469	30,533.50
	122,270,000.00			20.641		97,689.05

	TIC	All-In TIC	Arbitrage Yield
Par Value	122,270,000.00	122,270,000.00	122,270,000.00
+ Accrued Interest			
+ Premium (Discount)	5,728,882.00	5,728,882.00	5,728,882.00
- Underwriter's Discount	(427,945.00)	(427,945.00)	
- Cost of Issuance Expense		(393,405.00)	
- Other Amounts			
Target Value	127,570,937.00	127,177,532.00	127,998,882.00
Target Date	05/21/2025	05/21/2025	05/21/2025
Yield	4.659829%	4.684402%	4.541698%

SOURCES AND USES OF FUNDS

**City of Grand Rapids
County of Kent, State of Michigan
Limited Tax General Obligation Bonds, Series 2025
Final Numbers**

Dated Date 05/21/2025
Delivery Date 05/21/2025

Sources:	2025 Stadium Financing	2025 Gap Financing	Total
Bond Proceeds:			
Par Amount	96,000,000.00	26,270,000.00	122,270,000.00
Premium	4,498,068.70	1,230,813.30	5,728,882.00
	100,498,068.70	27,500,813.30	127,998,882.00
Uses:	2025 Stadium Financing	2025 Gap Financing	Total
Project Fund Deposits:			
Project Fund	99,853,187.70	27,324,344.30	127,177,532.00
Delivery Date Expenses:			
Cost of Issuance	308,881.00	84,524.00	393,405.00
Underwriter's Discount	336,000.00	91,945.00	427,945.00
	644,881.00	176,469.00	821,350.00
	100,498,068.70	27,500,813.30	127,998,882.00