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GARY OFFICIALS ANNOUNCE THE CLOSING OF SALE LEASEBACK

Gary, Indiana-Mayor Karen Freeman-Wilson and city officials today announced the sale of \$40 million in tax-exempt bonds to help improve the city's financial health and facilitate capital investment.

"We are excited to announce the sale of bonds that represent a key part of the city of Gary's Financial Recovery Plan," said Mayor Karen Freeman-Wilson. "When we joined with the Gary Common Council, city staff, Comer Capital Group and Whittaker & Associates to create a Financial Recovery Team, we knew that we would have to be innovative and steadfast in our decision-making. The sale leaseback fits squarely in our plan. This could not have happened without a phenomenal team of partners that included Wells Fargo, Preston Hollow, Comer Capital Group, Whittaker & Associates, Taft Stettinius and many others."

The tax-exempt transaction utilizes fixed-rate bonds to sell and lease back the city's public safety building to the locally-based Gary Building Corporation, a nonprofit organization, in order to shore up funds for the city. The building, located at 555 Polk Street, will be leased back to the city at favorable rate.

Mayor Freeman-Wilson continued, "This bond financing, coupled with innovative revenue generation and cost-savings, will lay the groundwork for the financial stability of our city for generations to come. While adherence to the plan is important, this financing also allows us to factor in investment in infrastructure and equipment that will allow our team to serve our citizens with pride. For the first time in two decades, the city of Gary will start the year with money in the bank. The Prince team will begin governing on a solid financial foundation."

"Wells Fargo worked closely with the city and its team to structure the financing in a way that complements Gary's Financial Recovery Plan," said Kevin Hoecker, Head of Midwest Public Finance at Wells Fargo and lead banker on the financing. "In addition to negotiating favorable terms for the city, the strength of the overall market helped the city achieve an attractive financing cost under its budget."

“We are pleased to partner with Wells Fargo and the entire team that we have assembled. This Sale Leaseback financing is an integral part of the city’s Financial Recovery Plan. By refinancing a portion of the city’s debt while generating new sources of revenue and generating cost savings, the city of Gary is well on the road to financial recovery. This financing also provides an opportunity for capital investment. This collaborative effort and the financial stability that results from it will serve the city of Gary well for generations to come,” said Freeman-Wilson.

The bonds were purchased by Preston Hollow Capital. “Preston Hollow Capital is proud to be the investor in the City’s \$40 million lease revenue bond transaction,” said Charlie Visconsi, Co-Head of Originations for Preston Hollow Capital. “It will be transformative to allow the City to retire a variety of obligations including Tax Anticipation Notes, a Revenue Anticipation Note as well as a variety of payables and interfund loans owed by the City. The 20-year bond financing provided a lower interest rate of over 100 basis points relative to its interim borrowing allowing the City to reset its borrowing costs. PHC was happy to partner with the City to provide funds allowing it to meet the needs of its residents.”

Brandon Comer, Managing Partner of Comer Capital Group says, “To assist my hometown in structuring a transaction that addresses many of its financial concerns and provides necessary cash flow to allow for the implementation of a sustainable financial recovery plan has been quintessentially rewarding. There was a lot of initial pushback from the marketplace, but we were ultimately able to demonstrate to investors what we already knew, this is a solid transaction and Gary is on the road to recovery.” Comer served as municipal advisor on the sale leaseback transaction.