CASE STUDY

DEVELOPMENT FINANCE

FEBRUARY 5, 2024

$54,285,000 | DESIGNATED BASELINE TAXES APPROPRIATION REVENUE BONDS | SERIES 2024A

Pawtucket Redevelopment Agency | Pawtucket, Rhode Island

TIDEWATER LANDING PHASE 1A PROJECT

Client Profile

Stifel served as Senior Manager on the Pawtucket Redevelopment Agency's Series 2024A Designated Baseline Taxes Appropriation Revenue Bonds (Tidewater Landing Phase 1A Project).

Stifel played a significant role in this project, working for over three years to assist with the development of new legislation, negotiate deal terms, design public sector and investor protections, and successfully structure, market, and price the non-rated bonds.

The Project & Structure

The project is a part of the 10,500-seat stadium for the new Rhode Island FC franchise in the United Soccer League (USL). The Bonds were issued to fund eligible projects costs in relation to the development, construction and equipping of a soccer stadium and related improvements and pre-construction funding of public infrastructure relating to other components of the larger Tidewater Landing Project.

The Bonds were issued under the Downtown Pawtucket Redevelopment Statute, allowing the State to redirect certain economic activity taxes generated within the City to finance economic development projects. These taxes become available after the stadium is completed and placed in service, at which point a covenant to appropriate the full amount of debt service and annual administrative fees becomes effective. To mitigate construction risk, the project includes three years of capitalized interest and developer guarantees to complete.

Pricing Results

The sale of the Series 2024A Bonds encountered several challenges, including construction risk—addressed through performance and payment bonds, a completion guarantee, and a disbursement agreement—as well as political risk tied to annual appropriations by the State of Rhode Island. Additionally, market skepticism surrounding the necessity of the stadium and Pawtucket's socio-economic profile contributed to limited investor interest. Despite outreach to 78 investors, the bonds were ultimately purchased by a single investor.

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