

Legislation Details (With Text)

File #: 18-0343 **Version:** 1 **Name:** RES 2018-28 Industrial Development
Type: Resolution **Status:** Passed
File created: 4/6/2018 **In control:** Work Session
On agenda: 4/24/2018 **Final action:** 4/24/2018
Title: *Consideration of Resolution 2018-28 Authorizing and Directing the Industrial Development Board of the City of Franklin to Prepay a Portion of its Taxable Rate Tax Increment Revenue Refunding Bonds, Series 2015A (Variable Rate) (04/12/18 Finance 4-0)
Sponsors: Eric Stuckey, Kristine Brock
Indexes:
Code sections:
Attachments: 1. 2018-28 RES Franklin_Authorizing 2015 TIF Prepayment_May 2018.Law Approved, 2. TIF Bonds Update_April 12 2018_FINAL

Date	Ver.	Action By	Action	Result
4/24/2018	1	Work Session	acknowledged	
4/24/2018	1	Board of Mayor & Aldermen	approved	Pass
4/12/2018	1	Budget & Finance Committee	referred	Pass

DATE: April 6, 2018

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Kristine Tallent, Assistant City Administrator/CFO

SUBJECT:

*Consideration of Resolution 2018-28 Authorizing and Directing the Industrial Development Board of the City of Franklin to Prepay a Portion of its Taxable Rate Tax Increment Revenue Refunding Bonds, Series 2015A (Variable Rate) (04/12/18 Finance 4-0)

Purpose

In FY 2018, Property Taxes Collected Net of Appeals and Uncollected Taxes within the Tax Increment Financing District were \$1,943,501. Debt Service paid was \$1,315,981 resulting in additional proceeds of \$627,520. From this amount, staff recommends prepayment of a portion of the outstanding bonds.

Background

In 2015, the Industrial Development Board issued the \$12,350,000 Taxable Rate Tax Increment Revenue Refunding Bonds, Series 2015A (Variable Rate) and Series 2015B (Fixed Rate) for the purposes of refinancing bonds issued in 2005 (Series 2005 Bonds). The Fixed Rate Bonds have final maturity in 2020. Variable Rate Bonds reach final maturity in 2025. Total Principal outstanding as of 4/1/2018 is \$8,385,236,

Financial Impact

Prepayment of \$600,000 of variable rate principal will shorten the final maturity of the Series 2015A Variable Rate Bonds from January 2025 to October 2024. There is no prepayment penalty.

Recommendation

Approval of a resolution directing prepayment of \$600,000 of the Series 2015A Variable Rate Bonds.