



Legislation Details (With Text)

File #: 19-0461 **Version:** 1 **Name:** RES 2019- Industrial Development
Type: Resolution **Status:** Passed
File created: 4/24/2019 **In control:** Board of Mayor & Aldermen
On agenda: 5/28/2019 **Final action:** 5/28/2019
Title: Consideration of Resolution 2019-43 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) (05/09/19 Finance 3-0)
Sponsors: Eric Stuckey, Kristine Brock
Indexes:
Code sections:
Attachments: 1. 2019-43 RES Franklin_Authorizing 2015 TIF Prepayment.Law Approved

| Date | Ver. | Action By | Action | Result |
|-----------|------|----------------------------|----------------------------|--------|
| 5/28/2019 | 1 | Board of Mayor & Aldermen | approved | Pass |
| 5/9/2019 | 1 | Budget & Finance Committee | referred as a Consent Item | Pass |

DATE: April 24, 2019

TO: Board of Mayor and Aldermen

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

SUBJECT:

Consideration of Resolution 2019-43 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) (05/09/19 Finance 3-0)

Purpose

In FY 2019, Property Taxes Collected Net of Anticipated Property Tax Appeals and Uncollected Taxes within the Tax Increment Financing District were \$1,969,486. Debt Service paid was \$1,274,544 resulting in additional proceeds of \$694,942. 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 2024. Total Principal outstanding as of 4/1/2019 is \$6,450,000.

Financial Impact

Prepayment of \$600,000 of variable rate principal will shorten the final maturity of the Series 2015A Variable

Rate Bonds from October 2024 to October 2023. There is no prepayment penalty.

Recommendation

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