



## Legislation Text

---

**File #:** 18-0343, **Version:** 1

---

**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.