



Legislation Text

File #: 20-0244, **Version:** 1

DATE: February 26, 2020

TO: Board of Mayor and Aldermen

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

SUBJECT:

Consideration Of Resolution 2020-23, A Resolution 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). (McEwen TIF District) (WS 3/10/20)

Purpose

In FY 2020, Property Taxes Billed within the Tax Increment Financing District were \$2,320,380. Debt Service expense is projected as \$1,444,347 resulting in additional proceeds of \$876,033. 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 April 2020. Variable Rate Bonds reach final maturity in October 2023. Total Principal outstanding as of 4/1/2020 is \$4,882,439.

Financial Impact

Prepayment of \$800,000 of variable rate principal will shorten the final maturity of the Series 2015A Variable Rate Bonds to April 2023. There is no prepayment penalty.

Recommendation

Approval of a resolution directing prepayment of \$800,000 of the Series 2015A Variable Rate Bonds.