



## Legislation Text

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**File #:** 2015-2420, **Version:** 1

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Consider a resolution of the Round Rock Transportation and Economic Development Corporation Authorizing the Issuance of Senior Lien Sales Tax Revenue Refunding Bonds, Series 2015; Approving Documents Related to the Sale of the Bonds and Other Matters Related Thereto.

The City will be refunding approximately \$10.6 million in Series 2006 Senior Lien Sales Tax Revenue Bonds for the Round Rock Transportation and Economic Development Corporation. The City has an opportunity to refinance this debt from an average coupon of 4.29% to 2.50% resulting in a net debt service reduction (after all issuance costs) of just over \$500,000. The savings would be realized between 2016-2021 in equal amounts of approximately \$80,000 a year and are reflected as a reduction of the debt service requirement.

We will utilize the direct purchase method which allows the City to avoid having to get this issuance rated and also allows no reserve fund deposit. This deal will produce an approximate 4.3% net present value which is higher than the required minimum of 3%.

The Round Rock Transportation and Economic Development Corporation will approve the resolution to approve the authorization of Issuance of Senior Lien Sales Tax Revenue Refunding Bonds. The City Council will then approve the resolution of the Round Rock Transportation and Economic Development Corporation.

Staff recommends approval.