



## Legislation Text

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**File #:** 2017-4491, **Version:** 1

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Consider a resolution approving the action of the Round Rock Transportation and Economic Development Corporation in authorizing the issuance of the Corporation's Senior Lien Sales Tax Revenue Refunding Bond, Series 2017; Approving Documents Related to the Sale of the Bond and Other Matters Related Thereto.

The City will be refunding approximately \$9.9 million in outstanding Series 2005 and Series 2007 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 existing average coupon of 4.15% to a new rate of approximately 2.40% (current market) resulting in a net debt service reduction (after all issuance costs) of just over \$300,000. The savings would be realized between 2018-2023 in equal amounts of approximately \$50,000 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 the expense of a bond rating and also allows no reserve fund deposit. This deal will produce an approximate 4.1% net present value which is higher than the required minimum of 3%.

The Round Rock Transportation and Economic Development Corporation approved the resolution for the authorization of Issuance of Senior Lien Sales Tax Revenue Refunding Bonds at their meeting on June 8, 2017.