

## Meeting Agendas/Info

**CITY COUNCIL  
COMMUNICATION:**

**ITEM \_\_\_\_\_**

**01-542**

**OFFICE OF THE CITY MANAGER  
CITY OF DES MOINES, IOWA**

**AGENDA:**

**SYNOPSIS -**

OCTOBER 22, 2001

**SUBJECT:**

GENERAL  
OBLIGATION  
REFUNDING BONDS  
(REFUNDING  
SERIES 1993A)

Setting the date for a public hearing on November 5, 2001, for the issuance of General Obligation Refunding Bonds in an aggregate amount not to exceed \$4,000,000. This issuance will be used to call the Taxable Urban Renewal Tax Increment Revenue Bonds, Series 1993A, and replace them with bonds issued at a lower interest rate, as a means of reducing interest expenses. The new bonds will also be taxable.

**TYPE:**

**RESOLUTION**  
ORDINANCE  
RECEIVE/FILE

**FISCAL IMPACT -**

The refinancing of the Taxable Urban Renewal Tax Increment Revenue Bonds, Series 1993A, which have an outstanding principal balance of \$3,890,000, will provide for estimated average annual debt service savings of \$103,000 through 2012. This cost savings calculation includes the impact of releasing a Debt Service Reserve Fund in the amount of \$516,328.30, which will no longer be required, and will be used to call a portion of the outstanding bonds.

**SUBMITTED BY:**

MERRILL R.  
STANLEY  
FINANCE DIRECTOR

The new bonds would have an estimated net interest cost of 5.62 percent as compared to an average rate of 7.78 percent on the outstanding bonds. Over the life of the bonds, the refinancing would result in an estimated total net present value savings of \$292,470.

**RECOMMENDATION -**

**Approval.**

**BACKGROUND -**

The Taxable Urban Renewal Tax Increment Revenue Bonds, Series 1993A, were originally issued in the amount of \$5,200,000, on May 24, 1993, to fund the Tax Increment Fund (TIF) portion of the Sec Taylor Stadium project. The current timeline has January 7, 2002 as

the prescribed sale date for the Refunding Bonds, but is subject to change in response to fluctuating conditions in the municipal bond market. The call date on the outstanding bonds is June 1, 2002.

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