

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: June 11, 2012
	Agenda Item No. 60A-3 Roll Call No. <u>12-0939</u> Communication No. <u>12-277</u> Submitted by: Scott E. Sanders, Finance Director

AGENDA HEADING:

Setting the date of hearing regarding issuance of General Obligation Parking Taxable Bonds.

SYNOPSIS:

Recommend holding a public hearing on June 25, 2012, authorizing the issuance of General Obligation Taxable Debt to be paid by the Parking System. Proceeds from the debt issuance will be used to refund the Parking Revenue Bonds, Series 2000A.

FISCAL IMPACT:

Amount: Estimated \$13,030,000 of debt to be issued, with debt service payments in FYE 2013 estimated at \$172,000 (no principal payment on June 1, 2013).

Funding Source: Fiscal Year 2012-13 Budget:

- Parking Sinking Fund – EN061, ENG101018, Page 73.

ADDITIONAL INFORMATION:

The bond proceeds will be used for the following:

- **Refunding of Parking Revenue Bonds, Series 2000A - \$14,855,000:**
 Bond proceeds will be used to fully redeem the Parking Revenue Bonds, Series 2000A. The existing Debt Service Reserve Fund in the amount of **\$1,954,500 will be liquidated** and used to lower the amount of the refunding debt.
- **Issuance Costs - \$126,000.**

The original Series 2000A debt carries interest rates of 5.75% to 6.375%. The refunding should save more than \$2,000,000 for the Parking System over the remaining eight years of payments. The refunding debt has the same final maturity as the Series 2000A; June 1, 2020. However, the refunding does not have a principal payment scheduled for June 1, 2013 to provide more of the savings sooner. Given no tax exempt parking debt will remain after refunding the Series 2000A with taxable debt, the Parking System will no longer have private activity restrictions attached to the use of the parking facilities.

The refunding debt is being issued under urban renewal authorization as the parking facilities are a critical public service to the Metro Center TIF and parking debt is not considered an essential corporate purpose.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Hold Public Hearing on June 25, 2012.

Sale Bonds on July 25, 2012.

Close (receive proceeds) in early September and redeem Series 2000A.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the second floor of City Hall, 400 Robert D. Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.