



Legislation Text

File #: 44209, **Version:** 1

Fiscal Note

This resolution authorizes the issuance of general obligation promissory notes totaling \$92,885,000 and an irrevocable property tax sufficient for the purpose of paying principal and interest on the notes. These notes are divided into two series:

Series A, with a par amount of \$85,750,000, will be used to finance current year capital improvements authorized in the 2016 capital budget (\$73,945,000) and to refund 2008 Series A promissory notes at a lower interest rate (\$11,805,000). A description of the specific expenditure purposes is included in the resolution. The net present value savings from refunding the 2008 Series A promissory notes is \$457,000 (approximately 4% benefit). This savings will be realized in 2017 and 2018. The true interest cost of this series is 1.56%. Repayment of the new money portion of Series A is scheduled over the next 10 years.

Series B, with a par amount of \$7,135,000, will be used to fund those portions of the 2016 capital budget that are not eligible for tax-exempt financing because the projects are for the benefit of private entities. These projects are financed using taxable notes and are related to projects in the Capitol East District. The true interest cost of this series is 1.76%, and borrowed amounts will be repaid over the next 10 years.

Title

Resolution Authorizing The Issuance of \$85,750,000 General Obligation Promissory Notes, Series 2016-A, and \$7,135,000 Taxable General Obligation Promissory Notes, Series 2016-B, all of the City of Madison, Wisconsin, Providing the Details Thereof, Establishing Interest Rates Thereon and Levying Taxes Therefor.

Body

SEE ATTACHED BODY