



CITY OF MCKINNEY, TEXAS

Legislation Text

File #: 18-587, **Version:** 1

Consider/Discuss/Act on all Matters Incident and Related to Approving the Resolution of the McKinney Economic Development Corporation Authorizing the Issuance of the "McKinney Economic Development Corporation Sales Tax Revenue Bonds, Taxable Series 2018" and the Deposit of Gross Sales Tax Revenues, Including the Adoption of a Resolution Pertaining Thereto

COUNCIL GOAL: Financially Sound Government
(4A: Provide Funding and Organizational Framework to Ensure Continual Economic Improvements)

MEETING DATE: July 17, 2018

DEPARTMENT: MEDC / City Financial Services

CONTACT: Trudy Mathis, Finance Director
Abby Liu, MEDC Interim President

RECOMMENDED CITY COUNCIL ACTION: Approve Resolution

ITEM SUMMARY:

- This Resolution approves the MEDC Board action to issue \$20.11 million in taxable sales tax revenue bonds

BACKGROUND INFORMATION:

- The purpose of the issuance is for acquisition of land to be used for economic development purposes and to pay for the cost of issuing the bonds
- In spring 2018 MEDC purchased several parcels of land totaling \$32.35 million
- On July 12, the MEDC Board approved the bonds and a resolution declaring the expectation to reimburse itself for prior land acquisitions from the bond proceeds

FINANCIAL SUMMARY:

- The bonds were offered for private placement through a competitive bidding process which closed on July 6, 2018
- MEDC received bids from 10 financial institutions
- First National Bank of Texas was the selected bid:
 - 10 year term

- Callable in 2019 with a 3.65% interest rate
- Total interest over the life of the bonds is approximately \$4.32 million

BOARD OR COMMISSION RECOMMENDATION:

- MEDC Board approved the bonds & terms at a special meeting held July 12, 2018.