

AGENDA ITEM SUMMARY SHEET
VILLAGE COUNCIL MEETING
May 18, 2022

Agenda Item:

Resolution No. 2022-10, Retirement of outstanding indebtedness, series 2019 Note.

Motion to Approve Resolution 2022-10, providing authority to pay off the 2019 series debt early, during fiscal year 2021-2022.

Background:

- \$20,000,000 debt issued in January 2019 for the purchase of approximately 68 acres of land on both sides of the Estero River
- Total purchase price of the property was \$24,562,500
- Current outstanding principal is \$17,916,515
- Annual debt service is \$1,415,797
- Interest due if held to maturity (2029) is \$4,539,369
- Balloon principal payment due in 2029 of \$12,407,013

Description:

The Village entered into a debt covenant in 2019 for \$20 million to purchase of land on the northeast corner of US 41 and Corkscrew Road, on both sides of the Estero River. The payoff schedule dictated a 10-year payback period, with the final year requiring a principal payment of \$12.4 million. Retiring this debt during fiscal year 2021-2022 will save the Village over \$ 4 million in interest expense.

Action Requested:

Approve Resolution 2022-10, providing authority to pay off the 2019 series debt early, during fiscal year 2021-2022.

Process and Timeline:

After Council approval, Village staff will obtain a date certain payoff amount. It is staff's intention for this date to be June 1, 2022. Once a payoff is obtained, funds will be

transmitted to Capital Bank in person via check.

Financial Impact:

The payoff will require over \$17 million in cash outlay. This funding will derive from the Debt Reserve balance, General Fund reserves and Capital Improvement reserves.

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Attachments:

1. Resolution No. 2022-10
2. Estimated payoff from Capital Bank