



Legislation Text

File #: 22-0013, **Version:** 1

Resolution Authorizing the Issuance of General Obligation Public Improvement Bonds of the City of Hampton in the Maximum Principal Amount Not to Exceed \$138,000,000 to Finance Certain Public Improvement Projects and General Obligation Refunding Bonds in an Amount Required to Refund Certain Previously Issued Bonds to Achieve Debt Service Savings, and Providing for the Form, Details, and Payment of Such Bonds, and Providing for Defeasance of Certain Outstanding General Obligation Bonds

Background Statement:

See Discussion Below.

Discussion:

This Resolution is proposing that the City Council authorize (1) the issuance of General Obligation Public Improvement Bonds in the maximum principal amount not to exceed \$138,000,000 to finance the cost of general public improvement projects of the City, including, but not limited to, the construction of improvements and additions to public buildings, public safety facilities and public school facilities, improvements to stormwater and other public infrastructure, including streets and roads, improvements to parks and other recreational facilities, and the acquisition of real property and equipment for public purposes, and to pay related issuance costs; (2) the issuance and sale of general obligation refunding bonds to achieve debt service savings on previously issued general obligation bonds of the City and pay related costs; and (3) authorizes the defeasance of all or a portion of the City's outstanding general obligation Series 2012A, Series 2015A, and Series 2015B in the maximum defeasance amount of \$25,600,000 to reduce the City's debt service burden, enhance compliance with the City's debt service policy guidelines, and provide greater flexibility in future years. The defeasance will be accomplished using existing City funds to establish an irrevocable escrow fund to pay the defeased bonds on their first redemption date. Upon establishing the defeasance escrow, the bonds will be considered paid and no longer outstanding and holders of the bonds will look solely to the escrow fund for payment.

The resolution, if adopted, will authorize the Director of Finance, with the approval of the City Manager, for and on behalf of the City, to sell such bonds for such purposes, and to provide for the form, details and payment of the bonds; as well as to proceed with the defeasance.

Impact:

This action will facilitate improvement of the City's facilities and other infrastructure, as well as improve the City's financial position for future years.

Recommendation:

Approve the Resolution.

BE IT RESOLVED by the City Council of the City of Hampton, Virginia that the resolution attached here to as "Attachment A" is here by adopted.