

CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number _____

Meeting Type: Regular

Meeting Date: 9/12/2013

Action Requested By:
Finance

Agenda Item Type
Resolution

Subject Matter:

Debt Authorization

Exact Wording for the Agenda:

Resolution calling for the early redemption the City's General Obligation Warrants Series 2003-C.

Note: If amendment, please state title and number of the original

Item to be considered for: Action

Unanimous Consent Required: No

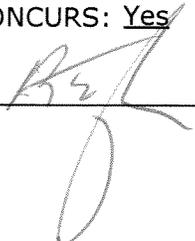
Briefly state why the action is required; why it is recommended; what Council action will provide, allow and accomplish and; any other information that might be helpful.

The outstanding balance of the 2003-C Warrants is \$15.3 million, which is subject to early redemption on 11/1/2013. The balance is all associated with TIF District 3, for which the City has 100% of the funds on hand to pay the debt off 10 years early. TIF 3 was closed in 2012.

Associated Cost:

Budgeted Item: Not applicable

MAYOR RECOMMENDS OR CONCURS: Yes

Department Head: 

Date: 9/4

RESOLUTION NO. 13-____

**A RESOLUTION CALLING FOR REDEMPTION
CERTAIN INDEBTEDNESS OF THE CITY OF HUNTSVILLE**

BE IT RESOLVED by the City Council (the "Council") of the City of Huntsville (the "City") in the State of Alabama, as follows:

Section 1. Findings. The Council has ascertained and does hereby find and declare as follows:

(a) pursuant to an ordinance of the City adopted November 20, 2003 (the "2003-C Ordinance"), the City issued its \$53,955,000 original principal amount General Obligation Warrants, Series 2003-C, dated November 1, 2003 (the "Series 2003-C Warrants");

(b) as set forth in the 2003-C Ordinance, those of the Series 2003-C Warrants scheduled to mature on or prior to November 1, 2023 may be called for redemption and payment on November 1, 2013, and on any date thereafter, at and for a redemption price equal to 100% of the principal amount of Series 2003-C Warrants called for redemption, plus accrued interest to the redemption date;

(c) the City has heretofore issued its \$62,420,000 initial principal amount General Obligation Capital Improvement and Refunding Warrants, Series 2011-A, a portion of the proceeds of which was used to defease \$845,000 of the Series 2003-C Warrants maturing in 2012, and portions of the Series 2003-C Warrants maturing in 2013 and thereafter (to be paid on November 1, 2013), as follows:

Maturity Date (November 1)	Principal Amount Defeased
2013	890,000
2014	925,000
2015	965,000
2016	1,010,000
2017	1,060,000
2018	1,110,000
2019	1,165,000
2020	1,210,000
2021	1,270,000
2022	1,325,000
2023	1,390,000

(d) as a result of the transactions described in paragraph (c) above, there is presently outstanding \$15,300,000 of Series 2003-C Warrants (the "Outstanding Series 2003-C Warrants"), as follows:

Maturity Date (November 1)	Principal Amount Outstanding
2013	\$1,100,000
2014	1,150,000
2015	1,200,000
2016	1,255,000
2017	1,320,000
2018	1,380,000
2019	1,445,000
2020	1,505,000
2021	1,575,000
2022	1,645,000
2023	1,725,000

(e) the City is not in default in the payment of the principal of or the interest or premium, if any, on the Outstanding Series 2003-C Warrants;

(f) in connection with the issuance of the Series 2003-C Warrants, the City established a tax increment district (a "TIF") within which certain ad valorem taxes have been collected and set aside for payment of a portion of the Series 2003-C Warrants;

(g) the term of the TIF has expired, and there is presently on deposit in a special fund established by the City respecting the TIF the sum of \$15,647,060 (the "TIF Balance"); and

(h) the City has determined to use and apply the TIF Balance (along with such other funds of the City to the extent necessary and not covered by the TIF Balance) to pay the maturing installments of principal and interest on the Outstanding Series 2003-C Warrants coming due on November 1, 2013, and to redeem and retire, on November 1, 2013, those of the Outstanding Series 2003-C Warrants scheduled to mature in 2014 and thereafter.

Section 2. Call for Redemption. Acting pursuant to the provisions of Section 4 of the 2003-C Ordinance, the City does hereby elect to redeem and pay, and does hereby call for redemption and payment, on November 1, 2013, those of the Outstanding Series 2003-C Warrants scheduled to mature in 2014 and thereafter (the "Called Outstanding Series 2003-C Warrants"). The Called Outstanding Series 2003-C Warrants shall be redeemed at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the November 1, 2013 redemption date.

Section 3. Provisions for Notice. Regions Bank, Birmingham, Alabama, in its capacity as paying agent for the Series 2003-C Warrants, is hereby authorized and directed to give notice of and effect said redemption of the Called Outstanding Series 2003-C Warrants, and to execute and deliver such other certificates, instruments, notices or other documents, and to take such other actions, as shall be necessary or desirable in connection therewith.

Section 4. Actions Authorized. The Mayor, the Director of Finance and the City Clerk are each hereby authorized and directed to take or cause to be taken, in the name and behalf of the City, all of the actions required by the provisions of the 2003-C Ordinance to be taken in order to effect the redemption and payment of the Called Outstanding Series 2003-C Warrants as aforesaid, and to execute and deliver such certificates, instruments, notices or other documents, and to take such other actions, as shall be necessary or desirable in connection therewith.

ADOPTED this the 12th day of September, 2013.

President of the City Council of
the City of Huntsville, Alabama

APPROVED this the 12th day of September, 2013.

Mayor of the City of
Huntsville, Alabama