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Refinancing Debt To Save Kyle Tax Payers
$1.1 Million Over the Next 17 Years

Strategy also "levels" the City's debt service payments over the next three years, saving Kyle taxpayers seven cents on next year's property tax assessments

Kyle, TX – Just as many homeowners are refinancing their home loans to save money, the City of Kyle is also taking advantage of a strong credit rating to save taxpayers money.

The Kyle city council finalized the refinancing at its meeting on Tuesday, February 19, by authorizing the issuance of $13.72 million of General Obligations Refunding Bonds.

The primary objective of the refunding is to reduce interest cost and to levelize the City's annual debt service requirements. The combination of both will reduce property tax rate increases next year by approximately seven cents per $100 of assessed valuation.

"This is just another example of how the City of Kyle is leaving no stone unturned to be sure the Kyle taxpayers are getting as much bang for their buck as possible," said Kyle Mayor Lucy Johnson. "City staff has worked very diligently with our financial advisor to be able to make this happen. However, even with this good news, we still need to continue looking for ways to make sure every dollar counts and Kyle residents are receiving quality services"

The City successfully achieved its objectives of saving $1.1 million in interest cost savings and levelizing a $1.0 million increase in debt service next year to the same level as the current year.

The City received "A+" rating on these bonds by the Standard and Poor's rating agency. The rating agency's thorough evaluation and due diligence process that resulted in the "A+" rating with a

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stable outlook to the City of Kyle included the following primary factors:

1. Access to Austin's deep and diverse economy resulting in strong income;
2. Tax revenue that has demonstrated resilience through the national economic downturn
3. Very strong finances

“The excellent bond rating was a key component to the City getting an interest rate on the bonds that would allow us to meet our objectives,” said Perwez Moheet, City of Kyle Director of Finance. “I am extremely pleased at the results of our efforts to refund a portion of the City's existing debt. Anytime we can save the Kyle taxpayers $1.1 million in interest costs is a significant achievement for our entire community."

The debt being refinanced was issued primarily to fund the extension of Kyle Parkway east of IH35 to Dacy Lane. This extension was an important part of bringing the Seton Medical Center – Hays to Kyle. In addition to the hospital, two new professional buildings, Lowes Hardware, Walgreens, and several other businesses have opened along the roadway and a new Walmart is also slated to begin construction later this year.

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