|  |  |
| --- | --- |
|  | Dunlap & Associates  Financial Advisors |

Memo

To: Mark Bates, Finance Director, City of Dania Beach

From: Damon R. Adams, Senior Vice President

Date: 9/11/12

Re: Refinancing of the City’s Outstanding Sales Tax Loan

# Mark, I am pleased to provide you with a brief synopsis containing key information concerning this loan refinancing:

Name of Issue: City of Dania Beach Sales Tax Revenue Bonds, Series 1994

Original Loan Amount: $3,255,000

Current Balance owed (after scheduled October 1, 2012 payment): $1,970,000

Current Interest Rate: 5%

Final Maturity – 10/1/25 (*13 years remaining*)

Current average annual debt service payment: $209,750

Plan of Refinance:

Refund this issue with a bank loan (BQ) over a 10 year period obtained through a competitive RFP process.

Based on other recent competitive bank loans our estimates are as follows:

Issue date: on or about 10/1/12

New loan balance: $2,030,000 (higher than current to cover refinancing costs)

Estimated new interest rate: 2%

Final Maturity- 10/1/22 (10 year term)

Estimated annual debt service payment: $226,040 (*fully paid in only 10 years*)

Estimated **total savings**: **cash payments: $466,000 - present value: $352,000**