

**NEWS RELEASE**

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Paying down debt and refinancing saves Township \$4.3 million

THE WOODLANDS, TEXAS (November 25, 2019) – The Woodlands Township has completed a financial transaction that has resulted in millions of dollars of savings for the governmental entity that manages The Woodlands.

As authorized by the Board of Directors at its October 23, 2019, Township Board Chairman Gordy Bunch approved pricing for the Sales and Use Tax Refunding Bonds and the Unlimited Tax Refunding Bonds following a bidding process that was managed by the Township’s financial advisors.

The refinancing of the bonds resulted in total present value savings of \$4.3 million, which is approximately \$170,000 more than the projected savings amount presented in October.

“This refinancing results in a net present value cost savings of \$4.3 million for The Woodlands Township,” said Gordy Bunch, Chairman of the Board. We are fortunate that the Township’s financial condition and bond rating remains strong and this has given us the opportunity with recent interest rate reductions to take advantage of significant debt service cost savings for The Woodlands residents.”

Specifically, The Woodlands Township refinanced \$39.91 million of bonds originally issued in 2010. The refinancing resulted in gross savings of \$4.8 million (net present value savings of \$4.3 million) and reduced annual debt service payments by \$788,000. Additionally, the Township was able to liquidate an existing debt service reserve balance of \$2.3 million to retire a portion of the sales and hotel occupancy tax bonds issued in 2010. The reserve is no longer required due to the Township’s excellent credit rating and financial position.

The refinancing included \$19.030 million of sales tax and hotel occupancy bonds, which have a maturity date of 3/1/2027. The bonds were refinanced at an interest rate of 1.464 percent, compared to an average rate of 4.0 percent on the original bonds. Refinancing resulted in net present value savings of \$1.762 million, or 7.5 percent. General obligation bonds totaling \$20.880 million were also refinanced. The new interest rate is 1.720 percent, compared to an average rate of 4.039 percent on the original bonds. The net present value savings is \$2.513 million, or 11.2 percent, and the bonds will mature on 3/1/2030.

For more information on The Woodlands Township, please call 281-210-3800, or [visit www.thewoodlandstownship-tx.gov](http://www.thewoodlandstownship-tx.gov).