

Contact: Ericka R. Savage 1 S. Huron Street
City of Ypsilanti Ypsilanti, MI 48197
Phone: (734) 483-1810
Fax: (734) 483-7260
esavage@cityofypsilanti.com



FOR IMMEDIATE RELEASE

Press Release

Ypsilanti Successfully Refinances Water Street Debt

Ypsilanti, MI, March 4, 2016: The City of Ypsilanti has successfully reduced 30% of its Water Street debt through bond refinancing. The City owed \$20,648,975 in principal and interest that has loomed over the City for the past 10 years. Annual payments were to begin in May 2016 of \$1,380,000 for 15 years at 6.16% interest.

On March 1, in consultation with a large number of experts, the City submitted over \$10M of debt refinancing bonds to the Bond Market. The new bond interest rate is 3.33%. The City also did a cash pay-down of \$2,255,000 of the debt principal. As a result, the City now has a \$6M reduction in principal and interest payments on the Water Street debt over the next 15 years, a 30% reduction in the original amount.

The City's annual payment will be reduced from \$1,380,000 to approximately \$924,500, saving \$455,500 for fiscal year 2016-2017.

The City did not refinance \$700,000 in bonds with hopes to pay it off without penalty later in 2016, and resulting in an additional 5% savings, or approximately \$73,000 annually.

No Increase in Current Taxes

The City is still required to pay 65% of the remaining Water Street debt over the next 15 years. City Council is considering a plan to transition approximately 2.3 mills, currently dedicated to paying off the 2001 Street Program, to the Water Street debt.

With the support of the public, re-authorizing these mills would eliminate an additional 51% of the remaining Water Street debt and would not increase current millage rates. Only 14% of the Water Street debt would remain and the City of Ypsilanti would solve the Water Street debt problem once and for all.

"This is huge," said Ypsilanti Mayor Amanda Edmonds. "So much hard work has gone into this... on behalf of our community, I am so grateful to the City staff who worked on this, their teams, and consultants."

If you have questions regarding the Water Street bond refinancing or current millage rates, contact City Manager, Ralph Lange, at (734) 483-1810 or Fiscal Services Director, Marilou Uy, at (734) 483-1105.