




# Howard County

*Internal Memorandum*

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Date: December 20, 2023  
To: Brandee Ganz, Chief Administrative Officer  
From: Rafiu Ighile, Director of Finance   
Re: Testimony – Annapolis Junction Town Center Refunding

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The 2014 revenue bonds that were issued for the Annapolis Junction tax increment financing district are callable as of February 15, 2024. The outstanding bonds at this time are \$16,145,000 and the average coupon, or interest, rate is 6.05%. Department of Finance in conjunction with our Municipal Advisors (MA) reviews all the County bonds that are callable annually to verify if the potential refunding opportunity meets the policy threshold of 3% in savings or more. Based on our analysis, the AJTC TIF Bonds meets this requirement, and we are therefore seeking legislation to refund these bonds.

The savings makes the TIF produce more excess revenues to the County, as the debt service payment is reduced. The terms of the bonds will not change. The Debt Service will still be paid by the property taxes revenues generated by TIF and if those revenues are not enough to pay the debt service, a special tax will be imposed on the development as stipulated on the special taxing district.

Our analysis shows that the refunding opportunity will generate savings for the County that exceed the County's policy minimum of 3%. The estimated savings from the revenue bonds refunding is 6.56%. The first source of revenues to repay the bonds would be tax increment revenues from the district. The second source of revenues would be special taxes levied on the private property in the district.