

THE BOND BUYER

Supervisors move to issue bond debt for industrial park

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TUPELO, Miss. — Lee County's Board of Supervisors has given the final green-light to issue \$7.3 million in bond debt, with an eye toward using about half that amount within a few months time to purchase land intended for use as an industrial park.

In early February, supervisors approved a plan to buy about 500 acres of land located in west Tupelo, just north of state Mississippi Highway 6/U.S. Highway 278. That purchase will cost the county a little more than \$3 million.

Those 500 acres are part of a larger site of approximately 1,000 acres, and Lee County holds a five-year purchase option on the remaining property.

The Community Development Foundation has for years worked on plans to develop that property into an industrial park that could potentially attract technology firms, automobile parts suppliers or other heavy industry.

Chancery Clerk Bill Benson said the bond authorization unanimously approved Monday morning will remain good for two years. Since county authorities only plan to issue about half the authorized bond debt, the remaining bonds that legally could be issued under Monday's action may be needed later if the county moves to exercise its purchase option.

Before the bonds will be issued, probably sometime in April, Benson said he plans to meet with Moody's to obtain a rating for the bond issue.

In total, the county anticipates taking on about \$3.7 million in bond debt to finance the acquisition of the Hive property, new voting machines for county precincts and the purchase of property to be leased by North Mississippi Medical Center for use as an ambulance substation.

Benson said he determined that financing the purchase of the voting machines will be cheaper than a lease/purchase option.

The county has already purchased the property for the ambulance substation and paid cash to do it. But Benson said the county will use proceeds from the bond debt to reimburse itself so as to make the cash available for future economic development purposes.

Servicing this new bond debt could require a small property tax increase, though a final decision on that matter won't come until budget talks later this summer.

Supervisors could decide to cut spending instead, but Benson said he anticipates a levy increase right now.

Given the amount of debt in question, Benson estimates the necessary tax increase would likely hike the county tax levy by about one half mill.

That would translate to about \$5 of new tax for every \$100,000 of appraised property value.