



# City of San Antonio Debt Management Plan

Finance

Presented by:  
Chief Financial Officer  
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City Council "B" Session  
Date: August 20, 2019

# Types of Debt Issued

- General Obligation Bonds - Payable from ad valorem taxes, which must be voter approved
- Certificates of Obligation - Payable from ad valorem taxes, not voter approved, requires 30 day notice prior to sale approval
- Tax Notes - Payable from ad valorem taxes, not voter approved, maturity of less than seven years
- Revenue Debt - Not voter approved, secured by specific revenue source

Bond Ratings				
	Fitch	Moody's	S&P	
Prime	AAA	Aaa	AAA	
High grade	AA+	Aa1	AA+	
	AA	Aa2	AA	
	AA-	Aa3	AA-	
Upper medium grade	A+	A1	A+	
	A	A2	A	
	A-	A3	A-	
Lower medium grade	BBB+	Baa1	BBB+	
	BBB	Baa2	BBB	
	BBB-	Baa3	BBB-	3

# Current Bond Ratings

	Fitch	Moody's	S&P
G.O./C.O./Tax Notes	"AA+"	"Aaa"	"AAA"
Airport	"A+"	"A1"	"A+"
Passenger Facility Charge	"A"	"A2"	"A"
Customer Facility Charge Revenue Bonds	"BBB+"	"A3"	"A"
Stormwater	"AA"	"Aa2"	"AA+"
Contract Revenue Bonds – Starbright (Toyota)	"AA+"	"Aa1"	"AA+"
One Stop	"AA+"	"Aa1"	"AA+"
Public Safety Emergency Dispatch Center	"AA+"	"Aa1"	"AA+"
Convention Center Expansion	"AA+"	"Aa2"	"AA+" 4

# Bond Sale on August 13, 2019

Overall True Interest Cost 2.27%

\$383.9M General Improvement and Refunding Bonds, Series 2019

- True Interest Cost 2.29%
- Included refinancing of \$187.4M in debt issued in 2010 for present value interest cost savings of \$26.1M or 13.9% of the refunded bonds

\$36.4M Combination Tax and Revenue Certificates of Obligations, Series 2019

- True Interest Cost 2.15%

\$34.5M Tax Notes, Series 2019

- True Interest Cost 1.11%

# Total Outstanding Debt

\$3.1  
Billion\*



\*Includes Restricted and Revenue Debt

# Current Outstanding Debt

	Outstanding Principal	Effective Interest Rate	Average Life (Years)
G.O./C.O./Tax Notes <sup>1,2</sup>	\$2,041.8M	2.51%	8.7
Airport – GAR	176.7M	4.57%	10.0
Airport – PFC	118.7M	4.84%	8.4
Airport – CFC	123.2M	5.72%	17.2
Stormwater	52.9M	1.82%	5.5
Starbright	17.2M	4.20%	8.1
MFC Lease Revenue Bonds - One Stop	1.1M	3.51%	1.0
MFC Lease Revenue Bonds - Fire and Police Dispatch Center (PSAP)	23.7M	5.05%	13.3
PFC Lease Revenue Bonds <sup>3</sup>	544.7M	3.99%	16.5
Taxable Revenue Notes <sup>1</sup>	3.3M	2.32%	0.5
Short-term Loan <sup>1</sup>	6.1M	3.37%	1.0
Total	\$3,109.4M		

<sup>1</sup> Includes private placement debt.

<sup>2</sup> Includes self-supporting debt in the amount of \$249.4 Million.

<sup>3</sup> Includes Capital Appreciation Bonds with proceeds in the amount of \$30.0 Million and a maturity value of \$99.5 Million.

# Ad Valorem Debt Outstanding

**\$2.0  
Billion**

- General Obligation Bonds
- Certificates of Obligation
- Tax Notes



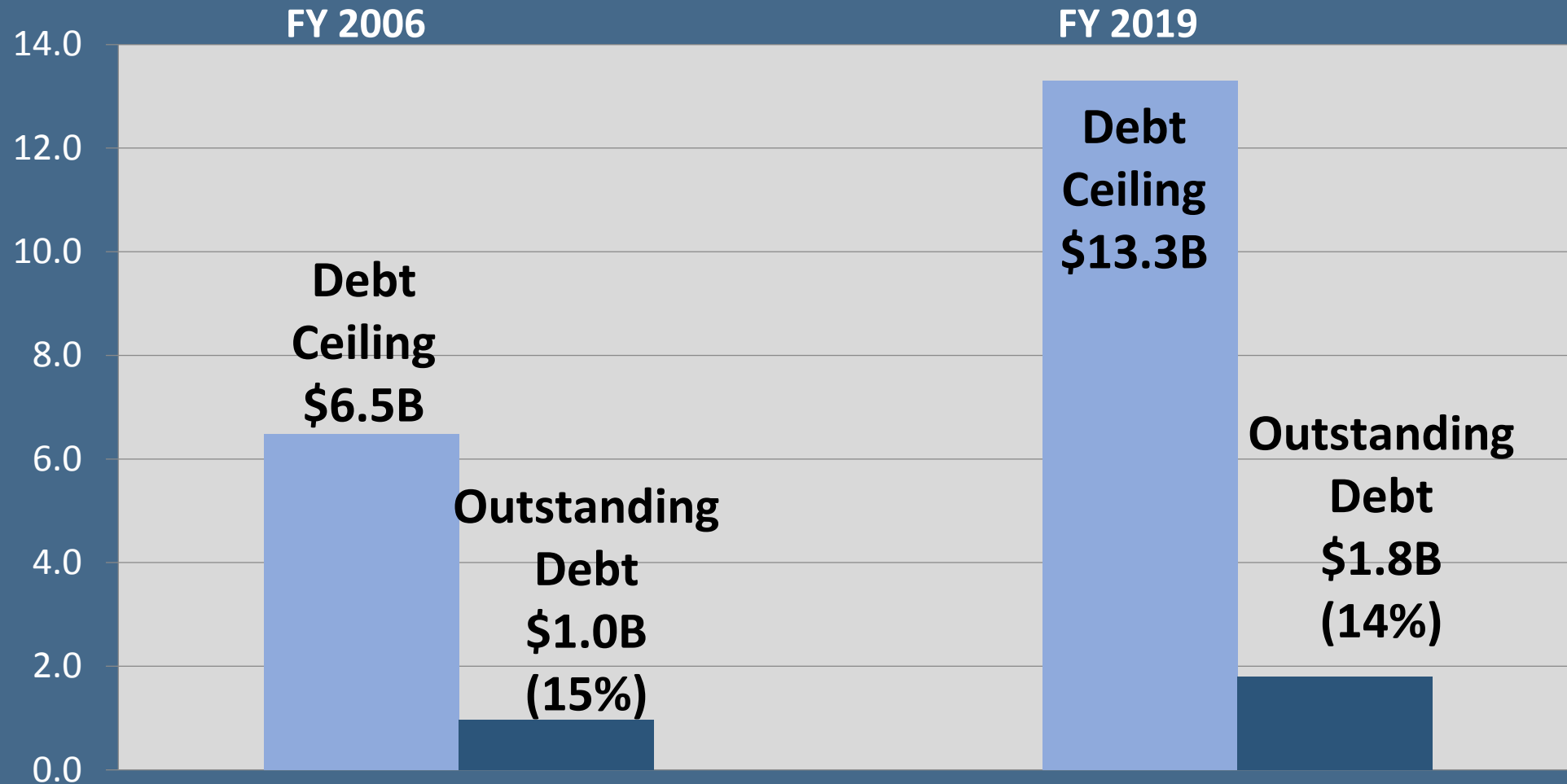
# Ad Valorem Debt Legal Limits



- Should not exceed 10% of total Assessed Valuation
  - *Ceiling: \$13.3 Billion*
- Property Taxes levied for debt must not exceed \$1.50 per \$100 of assessed valuation
  - *City Current Debt Portion of Property Tax Rate:*
    - *21 cents for every \$100 valuation*
  - *Has been 21 cents since 2004*

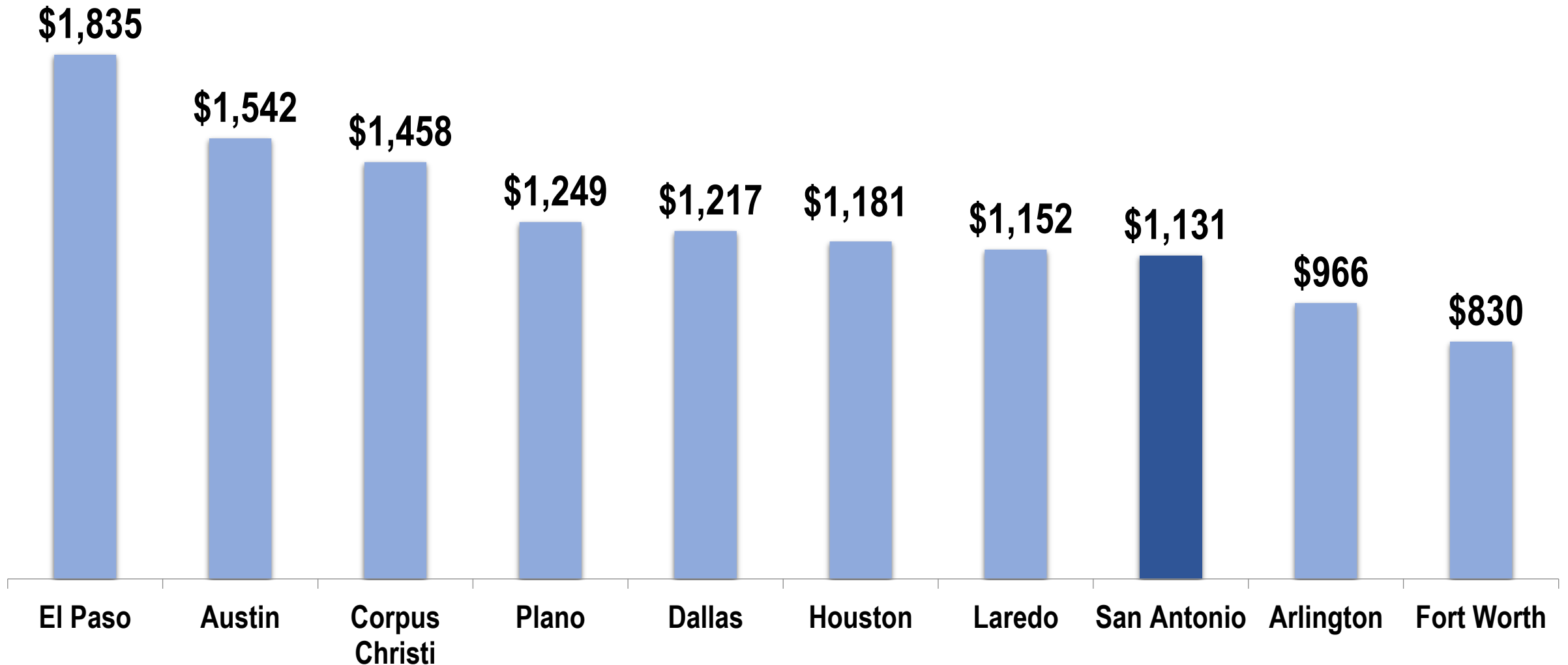
# Actual Debt vs. Legal Capacity\*

[In \$Billions]



\* Excludes Self-Supporting Debt

# San Antonio One of the Lowest Ad Valorem Debt per Capita in Texas



SOURCE: Texas Comptroller. As of August 31, 2017.

# Ad Valorem Tax Rate

## Tax Rate Breakdown:

General Fund	\$0.34677
Debt Service Fund	0.21150
Total Tax Rate	<hr/> \$0.55827

# **Ad Valorem Debt Management Plan Update**

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# Debt Plan Assumptions

**Net Taxable Assessed Value  
Growth Rate**

**Tax Collections**

**Debt Service Tax Rate**

**Interest Rate**

**Length of Debt**

**Average Life**

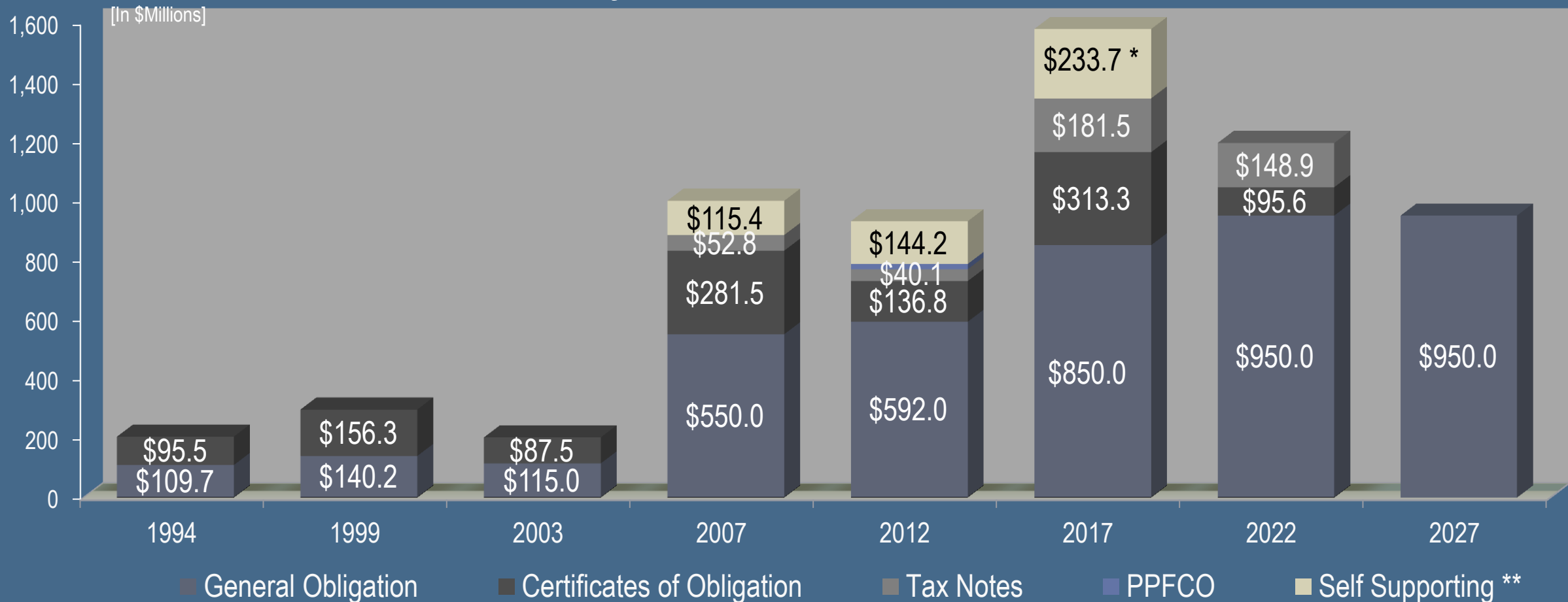
**Planned Authorization**

**Investment Rate**

**Fund Balance**

# Debt Management

## Ad Valorem Actual and Projected Issuances <sup>1</sup>



\* Amount includes Interim financing for Airport

<sup>1</sup> Preliminary update

\*\*Self Supporting debt paid from non-property tax revenues

# FY 2020 Proposed Debt Issuances

- \$6M for Brooks City Base reimbursement to BDA for building renovations – September 2019
- Airport Refunding transactions – Fall 2019
- Convention Center and Alamodome improvements – Spring 2020
- Frost Tower renovations – Spring 2020
- General Obligation Bonds to fund next installment of the 2017 Bond Program – Summer 2020
- Certificates of Obligation and Tax Notes to fund improvements in the Capital Budget – Summer 2020