



# City of San Antonio

## Agenda Memorandum

**File Number:**21-2911

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**Agenda Item Number:** 19.

**Agenda Date:** 4/29/2021

**In Control:** City Council A Session

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**DEPARTMENT:** Finance

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** City-wide

### **SUBJECT:**

Approving Publication and Posting of Notice of Intention to Issue Certificates of Obligation

### **SUMMARY:**

This Ordinance authorizes and approves publication and posting of Notice of Intention to issue City of San Antonio, Texas Combination Tax and Revenue Certificates of Obligation in one or more series in a maximum aggregate principal amount not to exceed \$85,000,000 and provides for an effective date.

### **BACKGROUND INFORMATION:**

The Notice of Intention to issue Combination Tax and Revenue Certificates of Obligation in one or more series (the "Certificates") includes projects in the FY 2021 Adopted Capital Budget, adjustments made after budget approval, and additional capacity and flexibility to address capital projects as needed. This is a request to approve publication and website posting of Notice of Intention to Issue Certificates of Obligation and does not obligate the City to proceed with any such issuance or to undertake the capital projects listed in Exhibit I (which action items will be presented to the City Council at future dates).

Texas law requires that the Notice of Intention to issue Certificates be published twice in a local newspaper of general circulation in the City, with the first date of publication being at least 46 days prior to the City's adoption of the ordinance authorizing the issuance of the Certificates and posted on the City's website continuously for at least 45 days prior to the City's adoption of the Ordinance authorizing the issuance of the Certificates. The total project amount to be funded is approximately \$74,240,000, while the Notice of Intention reflects a maximum aggregate principal amount of Certificates not to exceed \$85,000,000. The differential is

attributable to market conditions and the issuance of the Certificates at a premium to fund costs of issuance. The final issuance amount will be determined at the time of the sale; but may not exceed the maximum authorized amount.

The Certificates will be used for the purpose of providing funds for the payment of contractual obligations to be incurred for making public improvements including but not limited to the following: streets, public safety, parks and recreation, information technology, municipal facilities (including the Alamodome) and for other public purposes.

It is anticipated that parameter sale authorization for the sale of the Certificates will be approved on June 17, 2021. It is anticipated that the Certificates will be sold in August 2021, with closing and delivery anticipated to occur in September 2021.

#### **ISSUE:**

The aforementioned transaction will fund capital projects that have been approved in the FY 2021 Adopted Capital Budget as well as other items to be approved by City Council and are consistent with the City's Debt Management Plan. This is a request to approve publication and website posting of Notice of Intention to Issue Certificates of Obligation and does not obligate the City to proceed with any such issuance or to undertake the capital projects listed.

#### **ALTERNATIVES:**

The cost of the improvements to be financed could be absorbed into the City's operating budget. However, this alternative is not budgeted and would negatively impact funding for other services and improvements.

#### **FISCAL IMPACT:**

Any costs pertaining to the proposed transactions will be paid for from the proceeds derived from the issuance and sale of such obligations. Therefore, there is no impact on the City's Operating Budget.

#### **RECOMMENDATION:**

Staff recommends approval of this Ordinance that approves publication and posting of the Notice of Intention to issue the Certificates.