



City of San Antonio

Agenda Memorandum

File Number:20-2824

Agenda Item Number: 13.

Agenda Date: 4/30/2020

In Control: City Council A Session

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: City-wide

SUBJECT:

Approving Publication of Notice of Intention to Issue Certificates of Obligation

SUMMARY:

This Ordinance authorizes and approves publication 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 \$105,000,000; 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 2020 Adopted Capital Budget, adjustments made after budget approval, as well as additional capacity and flexibility to address other capital projects or debt management, as needed. This is a request to approve publication 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 maximum aggregate principal amount of Certificates to be issued is an amount not to exceed \$105,000,000. This amount includes funding for currently identified projects as well as capacity for

other projects that maybe identified prior to issuance or to provide flexibility in the management of the City's debt program. It also includes the potential for the issuance of the Certificates at a premium which will be dependent on financial market conditions at the time of issuance and to fund costs of issuance. The final issuance amount will be determined at the time of the sale.

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 Alamodome, Convention Center and Witte Museum auditorium improvements) and for other public purposes.

It is anticipated that parameter sale authorization for the sale of the Certificates will be approved on June 18, 2020. It is anticipated that the Certificates will be sold the week of August 10, 2020, with closing and delivery anticipated to occur on August 27, 2020.

ISSUE:

The aforementioned transaction will fund capital projects that have been approved in the FY 2020 Adopted Capital Budget as well as other items to be approved by City Council which are included in the proposed sale, and are consistent with the Debt Management Plan. This is a request to approve publication 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 paid by the City's operating funds; 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 of the Notice of Intention to issue the Certificates.