



# City of San Antonio

## Agenda Memorandum

**File Number:**15-3070

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**Agenda Item Number:** 20.

**Agenda Date:** 5/14/2015

**In Control:** City Council A Session

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**DEPARTMENT:** Finance

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** City-wide

### **SUBJECT:**

Approving Notice of Intention for 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 principal amount not to exceed \$95,000,000; and provides for an effective date.

### **BACKGROUND INFORMATION:**

The FY 2015 Adopted Capital Budget and FY 2015 Capital Budget Amendments include the proposed sale of approximately \$90,000,000 in Combination Tax and Revenue Certificates of Obligation in one or more series (the "Certificates").

State law requires the publication of the Notice of Intention to be issued 30 days prior to the sale of Certificates of obligation. The total project amount to be funded is approximately \$90,000,000, while the Notice of Intent reflects a maximum principal amount not to exceed \$95,000,000. The differential is attributable to the potential issuance of the Certificates at a premium which will be dependent upon market conditions and determined at the time of the sale. A portion of the premium may be used to fund the costs of issuance for the Certificates. 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 Alamodome, municipal facilities, street, service center, public safety, library, parks and recreation, information technology, and for other public purposes.

On January 15, 2015, City Council approved a Reimbursement Resolution for the Alamodome Renovations to reimburse expenditures made prior to the availability of funding. The City developed a financing plan to the fund the proposed improvements to the Alamodome through the issuance of the certificates of obligation, whose debt service will be funded with Alamodome ticket and parking fee increases implemented over a 20 year period. Funding for the Alamodome renovations will be included in the issuance of the Certificates.

It is anticipated that parameter sale authorization for the sale of the Certificates will be presented to City Council for approval on June 18, 2015. It is anticipated that the Certificates will be sold the week of July 20, 2015, with closing and delivery anticipated to occur on August 18, 2015.

#### **ISSUE:**

The aforementioned transaction will fund capital projects that have been approved in the FY 2015 Adopted Capital Budget and FY 2015 Capital Budget Amendments and are consistent with the Debt Management Plan.

#### **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 of the Notice of Intention to issue the Certificates.