

**CITY COUNCIL RESEARCH DIVISION
LEGISLATIVE SUMMARY**



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Bill Type and Number: Ordinance 2024-422

Introducer/Sponsor(s): Council President at the request of the Mayor

Date of Introduction: May 28, 2024

Committee(s) of Reference: R, F

Date of Analysis: May 30, 2024

Type of Action: Authorization to issue special revenue and refunding bonds; authorization to sell bonds on a competitive, limited competitive, negotiated or private placement basis; authorization of all actions necessary to facilitate the sale of the bonds; Ordinance Code waiver

Bill Summary: The bill authorizes the sale of up to \$250 million (net project funds) of special revenue bonds to finance and refinance the construction/acquisition of capital projects previously approved by Council. It authorizes the sale of the bonds on a competitive, limited competitive, negotiated or private placement basis as deemed most effective at the time of the issuance. The bill authorizes the acquisition of credit facilities, the preparation of preliminary and final official statements and offering documents, the designation of a deputy registrar and paying agent, the execution of agreements, and all other actions necessary to facilitate the issuance of the bonds. It authorizes use of a portion of the bond proceeds to refinance previous borrowing. A portion of Ordinance Code Chapter 104 – Bonds – is waived to permit the sale of bonds by less than a fully competitive process.

Background Information: The purpose of this legislation is to authorize the issuance of Special Revenue Bonds to finance and refinance the acquisition and construction of certain capital equipment and improvements. In addition, the bond issuance may provide an amount necessary to refund a portion of the City's outstanding debt. The issuance will provide not in excess of \$250,000,000 of net project funds to finance and refinance the actual expenditures associated with projects that were previously authorized by City Council to be funded with debt. The funding source for the bonds is "Covenant Revenues" as defined in Ordinance 2006-888-E, which basically consists of all non-ad valorem revenue sources. Any spending under this authorization not completed before the bond issuance may be funded using the City's commercial paper program. As a result of this transaction, the City will have reimbursed itself for spending on previously authorized projects, fixed-out certain short-term debt, and potentially refunded certain bonds for cost savings. A list of the several hundred projects for which spending is being reimbursed is shown in Exhibit 1 of the ordinance.

Policy Impact Area: Capital improvement funding

Fiscal Impact: The bill authorizes the issuance of bonds producing up to \$250 million in net proceeds for project cost reimbursements and refunding of previous borrowing

Analyst: Clements