

CITY COUNCIL RESEARCH DIVISION

LEGISLATIVE SUMMARY



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Bill Type and Number: Ordinance 2022-579

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

Date of Introduction: July 26, 2022

Committee(s) of Reference: R, F

Date of Analysis: July 27, 2022

Type of Action: Authorization of issuance of Special Revenue Bonds; *Ordinance Code* waiver

Bill Summary: This bill is a Supplemental Ordinance to Ordinance 2006-888-E (as amended and supplemented), which provides for the issuance of Special Revenue Bonds to be paid from Covenant Revenue. The provision of *Ordinance Code* Section 104.211 is waived to allow the bonds to be awarded on a limited competitive basis, a negotiated basis, or via a private placement to institutional investors rather than on a competitive basis. The Issuer initially financed certain capital improvements through its commercial paper program, which provides short term financing. The Mayor is authorized to award the sale of the Series 2022C Bonds, in one or more Series or installments and from time to time as necessary to finance and refinance the Series 2022C Project, and is authorized to award and negotiate the terms and provide for the acquisition of one or more Bond Insurance Policies and/or Credit Facilities to provide credit and/or liquidity enhancement with respect to all or a portion of the Series 2022C Bonds.

Background Information: The purpose of this legislation is to authorize the issuance and sale of Special Revenue Refunding Bonds for capital project funding to cover actual expenditures associated with previously authorized projects. Some of the projects have been previously funded with short term commercial paper borrowing and are now being fixed out with long-term debt. The bonds will be supported by the Special Revenue pledge, which is a basket of all City revenue sources except the ad valorem tax. The bond issuance will result in an amount not to exceed \$120,000,000 of net project funds, which will be allocated to cover actual expenditures associated with the previously authorized projects shown in Exhibit 1 of the ordinance, some of which have already been funded with commercial paper and are simply being fixed out with long-term debt. The Issuer may satisfy its obligations to make Amortization Installments with respect to the Series 2022C Bonds, on or before the 45th day next preceding each principal payment date on which Series 2022C Bonds are to be retired pursuant to Amortization Installments by delivering to the Deputy Registrar and Paying Agent for cancellation, Series 2022C Bonds that are Term Bonds of the maturity required to be redeemed on such principal payment date in any aggregate principal amount desired. Upon such delivery, the Issuer shall receive a credit against the amounts required to be deposited in the Debt Service Account on account of such Term Bonds in an amount equal to 100% of the principal amount of any of the Term Bonds so purchased and cancelled.

Policy Impact Area: Special Revenue Bonds

Fiscal Impact: The bond issuance will result in an amount not to exceed \$120,000,000 of net project funds

Analyst: Hampsey