



General Obligation Bonds Delegation Ordinance

Legistar #24-0620

**City Council Meeting
April 23, 2024**



Financing of Capital Projects

- Capital Improvement Projects (CIP) and funding are approved in the City's Capital Budget
 - Reimbursement resolution for Bond 2022 projects approved by City Council on December 20, 2022 to begin using funds for projects
 - Capital Budget staff assesses funding needs for next 12-18 months to determine what debt needs to be issued to fund current and prior year approved projects
 - **Today** - First reading of an ordinance delegating the authority to certain city staff to approve the sale of General Obligation Bonds within stated parameters
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Summary of Financial Transactions

- Issuance of \$50,000,000 of General Obligation Bonds to fund the first tranche of Bond 2022 projects
- Remaining \$75,000,000 for Bond 2022 projects will be issued next fiscal year
- Potential refunding of up to \$105,000,000 of existing General Obligation Bonds for savings



Bond 2022 Voter Authorization

Project	Voter Authorization	This Issuance
Prop A – Streets	\$92,500,000	\$17,500,000
Prop B – Parks	20,000,000	20,000,000
Prop C – Public Safety	10,000,000	10,000,000
Prop D - Libraries	2,500,000	2,500,000
TOTAL	\$125,000,000	\$50,000,000



Bond 2022 Voter Authorization - Proposition A - Streets

Project Name	Voter Approved Amount	Tranche 1 in 2024	Tranche 2 in 2025
Aaron Drive (Saratoga to Summer Wind)	\$2,800,000	\$532,000	\$2,268,000
Alameda St. (Texas to Doddridge) Design Only	\$2,000,000	\$380,000	\$1,620,000
Alameda St. (Airline to Everhart)	\$13,300,000	\$2,527,000	\$10,773,000
Beach Access Road (SH361 to Beach)	\$4,400,000	\$836,000	\$3,564,000
Bonner Drive (Everhart to Flynn)	\$4,200,000	\$798,000	\$3,402,000
Carroll Lane (SH 358 to Holly)	\$5,100,000	\$969,000	\$4,131,000
Flour Bluff Drive (Yorktown to Don Patricio)	\$14,000,000	\$2,585,000	\$11,415,000
Holly Road (Paul Jones to Ennis Joslin) Design	\$1,200,000	\$228,000	\$972,000
Martin Street (Holly to Dorado)	\$2,700,000	\$513,000	\$2,187,000
McCampell (Agnes - Leopard)	\$7,000,000	\$1,330,000	\$5,670,000
Starlight Lane (Violet to Leopard)	\$8,100,000	\$1,539,000	\$6,561,000
Surfside Blvd (Breakwater to Elm)	\$1,600,000	\$304,000	\$1,296,000
Timbergate Drive (Snowgoose to Staples)	\$3,500,000	\$665,000	\$2,835,000
Upper/Middle/Lower Broadway (Design Only)	\$2,600,000	\$494,000	\$2,106,000
Yorktown Blvd (Rodd Field to Oso Bridge)	\$20,000,000	\$3,800,000	\$16,200,000
TOTAL	\$92,500,000	\$17,500,000	\$75,000,000



Bond 2022 Voter Authorization - Proposition B - Parks

Project Name	Voter Approved Amount	This Issuance
Bill Witt Park - Aquatic Center	\$10,000,000	\$10,000,000
Cole Park Multigenerational Playground	\$1,125,000	\$1,125,000
Commodore Park Improvements	\$1,000,000	\$1,000,000
Greenwood Sports Complex- Sparkling City	\$850,000	\$850,000
Greenwood Sports Complex- Universal League	\$500,000	\$500,000
Greenwood Sports Complex-Westside Pony	\$3,350,000	\$3,350,000
Labonte Park Expansion	\$1,525,000	\$1,525,000
North Beach Eco Park (Design Only)	\$100,000	\$100,000
Oso Gold Center - Club House (Design Only)	\$750,000	\$750,000
St. Denis Park	\$300,000	\$300,000
Trestle to Trail Holly Road Project (Pre-Design)	\$500,000	\$500,000
TOTAL	\$20,000,000	\$20,000,000



Bond 2022 Voter Authorization - Proposition C - Public Safety

Project Name	Voter Approved Amount	This Issuance
Calallen Police Substation (Design Only)	\$1,000,000	\$1,000,000
Far South Police Substation	\$4,000,000	\$4,000,000
CCFD Resource Center - Phase 2 (EMS Central)	\$1,000,000	\$1,000,000
Fire Station #8 (Design Only)	\$2,000,000	\$2,000,000
Fire Station #10 (Design Only)	\$2,000,000	\$2,000,000
TOTAL	\$10,000,000	\$10,000,000



Bond 2022 Voter Authorization - Proposition D - Libraries

Project Name	Voter Approved Amount	This Issuance
La Retama Central Library Renovation (Exterior)	\$2,500,000	\$2,500,000
TOTAL	\$2,500,000	\$2,500,000



Steps for Issuance

Specific steps must be followed per state law for the issuance of General Obligation Bonds:

- **April 23, 2024** - First Reading of ordinance to authorize delegation of authority
 - **May 14, 2024** - Second reading and adoption of ordinance authorizing delegation of authority
 - **May 16, 2024** – Sale of GO Bonds
 - **June 12, 2024** – Closing Date for GO Bonds
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Ordinance #24-0620 General Obligation Bonds - Financing Plan Presentation | April 23, 2024

City of Corpus Christi, Texas



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Presentation Outline

I. Bond Market Update

II. Current City Bond Ratings

III. Overview of November 2022 Bond Program

IV. General Obligation Bonds Financing Overview


The Long View on Tax-Exempt Rates: The Bond Buyer's G.O. Index Since 1961




Current City Bond Ratings


➤ Fiscal Year 2024 Bonds will be rated by S&P and Fitch Rating Agencies


Rating Agency Analyses	S&P Global Ratings	MOODY'S	Fitch Ratings
Highest Possible Rating	AAA	Aaa	AAA
High Grade / High Quality	AA+	Aa1	AA+
	AA	Aa2	AA
Upper Medium Grade	AA-	Aa3	AA-
	A+	A1	A+
	A	A2	A
Lower Medium Grade	A-	A3	A-
	BBB+	Baa1	BBB+
	BBB	Baa2	BBB
Speculative Grade	BBB-	Baa3	BBB-
	BB+	Ba1	BB+
	BB	Ba2	BB
	BB-	Ba3	BB-
	B+	B1	B+
	B	B2	B
Highly Speculative Grade	B-	B3	B-
Highly Speculative Grade	CCC (+,-), CC or C	Caa1, Caa2 or Caa3	CCC (+,-), CC or C
In Default	D	Ca	D



Increasing Credit Quality

 Current Corpus Christi General Obligation Bond rating

 Current Corpus Christi Utility System Bond rating

 Minimum Investment Grade

November 2022 Bond Program: \$125,000,000

- On November 8, 2022, the City conducted a successful bond election for \$125,000,000
 - The City has not issued bonds under this authorization
 - The City intends to issue \$50,000,00 of the \$125,000,000 during FY 2024

Proposition	Purpose	Amount	For / Against
A	Streets	\$92,500,000	49,791 (66.9%) / 24,659 (33.1%)
B	Parks & Recreation	\$20,000,000	45,723 (61.6%) / 28,472 (38.4%)
C	Public Safety	\$10,000,000	55,351 (74.1%) / 19,320 (25.9%)
D	Library	\$2,500,000	43,829 (59.3%) / 30,118 (40.7%)

General Obligation Financing Overview per Approved Budget

- Ordinance #24-0620 will allow for the issuance of General Obligation Bonds from the November 2022 Bond Program and a separate refinancing of existing bonds for estimated taxpayer savings of \$5.9 million

PLANNED ISSUANCES*

1) General Improvement Bonds

- \$50,000,000 Initial authorization from 2022 Voter-Approved Bond Program
- Sale to be conducted May 16th

2) General Obligation Refunding Bonds

- Not to exceed \$105,000,00 to refinance existing debt
- Estimated taxpayer savings of \$5.9 million
 - Projected annual savings of \$597,000 through 2035
- Sale to be conducted Nov 2024

* Preliminary, subject to change.

PRELIMINARY USE OF PROCEEDS

In Millions (\$)

Project	2022 Bond Program
Streets	\$17.50
Parks & Recreation	20.00
Public Safety	10.00
Library	2.50
Total	\$50.00

METHOD OF SALE

- Open market financing through a negotiated sale process



QUESTIONS ?