



AGENDA MEMORANDUM

Action Item for the City Council Meeting March 19, 2024

DATE: March 1, 2024

TO: Peter Zaroni, City Manager

FROM: Alma I. Casas, Interim Director of Finance and Procurement
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Notice of Intention to Issue Certificates of Obligation for Construction of and Capital Improvements to City Facilities, Parks, and Solid Waste Infrastructure

CAPTION:

Resolution by the City Council of the City of Corpus Christi, Texas, authorizing and approving publication of Notice of Intention to issue not more than \$50,005,000 of Certificates of Obligation, in one or more series, for certain facility construction and capital improvements, as included and approved by City Council in the Fiscal Year 2024 Capital Budget; complying with the requirements contained in Securities and Exchange Commission Rule 15c2-12; and providing an effective date.

SUMMARY:

The City Council will consider a resolution approving a Notice of Intention to issue Certificates of Obligation in an amount not to exceed \$50,005,000, the proceeds of which will be used for various facility capital improvements, public safety facility construction, and solid waste and landfill facility capital repairs and improvements. This item is consistent with the City Council's budgeting actions approved in the FY 2024 Capital Budget on September 5, 2023.

BACKGROUND AND FINDINGS:

Included in the adopted and approved FY 2024 Capital Budget are projects to be funded through the issuance of Certificates of Obligation. This agenda item is to fund projects for which reimbursement resolutions were previously approved by the City Council on December 20, 2022 and June 27, 2023 totaling \$65,300,000. The first tranche of Certificates of Obligation to fund these projects was issued on July 11, 2023 in the amount of \$15,000,000. This item is for the second tranche to complete funding for these projects.

This item is required by Texas Local Government Code 271.049.

The total amounts of Certificates of Obligation to be issued will be an amount not to exceed \$50,005,000 and will be used to fund the following projects:

Parks:

South Bay Park	\$815,000
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Solid Waste:

C. Valenzuela Gas Collection System – 3C	1,300,000
C. Valenzuela Landfill Expansion	250,000
C. Valenzuela Landfill Road Improvements	3,500,000
C. Valenzuela Landfill Sector 2A Cells development	651,892
J.C. Elliott Landfill Road Improvements	4,900,000

Streets:

Alameda (Texan Trail to Chamberlain)	2,017,404
Everhart (Alameda to Staples)	2,080,797
Everhart (SPID to McArdle)	637,730
Everhart (Staples to McArdle)	848,176
Leopard St (Crosstown Expressway to Palm Dr)	1,000,000
McArdle (Kostoryz to Carroll Lane)	3,102,418
North Lexington (Leopard to Hopkins)	2,731,613

Facilities:

City Hall Council Chambers Renovations Ph.1/Ph.2	625,540
City Hall Fencing and Gates	608,180
City Hall Lighting Improvements	217,904
City Hall Parking Lot	830,887
City Hall Roof	480,000
Facilities Administrative Offices	495,975
Fleet Administrative & Parts Facility	556,062
Fleet Vehicle Wash Facility	186,682

Fire:

Fire Dept HQ-Dev Services Foundation Repair	53,338
Fire Station #3	6,680,000

Police:

Police Headquarters	400,000
Police Training Academy	12,207,536

Public Health:

Public Health Department Building Improvements	<u>2,825,140</u>
	<u>\$50,002,274</u>

The total amount recommended to be funded with Certificates of Obligation is an amount not to exceed \$50,005,000. State law requires that the City publish a notice of its intention to issue the certificates of obligation once a week for two consecutive weeks, with the first publication being before the 45th day before the date tentatively set for the passage of the ordinance authorizing the issuance of the Certificates of Obligation. The notice must also be posted on the City's website continuously for the same time period. This notice is for the maximum amount of Certificates of Obligation that the City intends to issue, including issuance costs. The City can issue less than the amount noticed but cannot exceed the noticed amount.

The City is planning to publish the notice of intention in the *Corpus Christi Caller-Times* on Sunday, March 24, 2024, and Sunday, March 31, 2024. The ordinance authorizing the delegation of the issuance of the Certificates of Obligation is scheduled as a first reading on April 23, 2024, with a second and final reading on May 14, 2024, in compliance with State law.

ALTERNATIVES:

The City Council could choose not to approve the notice of intention, and the City would not be able to issue Certificates of Obligation to fund the projects.

FISCAL IMPACT:

There is no fiscal impact as a result of the notice of intention. The City Council may choose not to issue the Certificates of Obligation after the notice period.

RECOMMENDATION:

Staff recommends approval of the resolution authorizing and approving the notice of intention to issue not more than \$50,005,000 in Certificates of Obligation for certain facility construction and capital improvements.

LIST OF SUPPORTING DOCUMENTS:

Resolution
Presentation