



## **AGENDA MEMORANDUM**

First Reading for the City Council Meeting of March 24, 2015  
Second Reading for the City Council Meeting of March 31, 2015

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**DATE:** March 6, 2015

**TO:** Ronald L. Olson, City Manager

**FROM:** Constance P. Sanchez, Director of Financial Services  
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(361) 826-3227

Authorization for Issuance of General Improvement Bonds  
to finance voter-approved Bond 2014 Projects

### **CAPTION:**

Ordinance authorizing the issuance of one or more series of "City of Corpus Christi, Texas General Improvement Bonds", as further designated by series, in an aggregate amount not to exceed \$99,495,000; levying a continuing direct annual ad valorem tax, within the limitations prescribed by law, for the payment of the bonds; prescribing the form, terms, conditions, and resolving other matters incident and related to the issuance, sale, and delivery of the bonds; including the approval and distribution of an official statement pertaining thereto; authorizing the execution of a paying agent/registrars agreement and a purchase contract; complying with the letter of representations on file with the depository trust company; delegating the authority to certain members of the City staff to execute certain documents relating to the sale of the bonds; and providing an effective date.

### **PURPOSE:**

On November 4, 2014 the citizens of Corpus Christi approved all three bond propositions included in the Bond 2014 election. The project cost associated for these propositions totals \$99,495,000. This agenda item authorizes the issuance of up to \$99,495,000 of General Improvement Bonds to fund the projects associated with these propositions, as well as the cost of issuance of the bonds.

**BACKGROUND AND FINDINGS:**

On November 4, 2014 the voters of Corpus Christi approved the three bond propositions on the ballot. Those approved were as follows:

	<u>Amount Authorized</u>	<u>Purpose</u>	<u>Projected tax increase per \$100 valuation</u>
Proposition 1	\$55,000,000	Street Improvements	No impact
Proposition 2	\$44,495,000	Street safety, revitalization & capacity improvement projects	\$0.021905
Proposition 3	n/a	Sale of Park Land	No impact
TOTAL	\$99,495,000		\$0.021905

In order to ensure timely completion of these projects, the City issued \$8,000,000 of tax notes in April 2014 to fund the design work for the street improvements included in Proposition 1. Design work has been completed, and construction contracts are ready to be let. Bond proceeds will be used to fund the completion of the projects.

Because of the fluctuating conditions in the municipal bond market, our financial advisor has recommended that the City Council delegate to the City Manager, Deputy City Manager, Assistant City Manager for General Government and Operations Support, and the Director of Financial Services (i.e., "Authorized Representatives") the authority to effect the sale of the bonds subject to the following parameters: (1) the principal amount of each series of bonds may not exceed \$99,495,000; (2) none of the bonds shall bear interest at a rate greater than 6% per year, and (3) the bonds must have a rating issued by a nationally recognized municipal securities ratings organization in one of the four highest rating categories. The City's bond counsel has confirmed that the City can delegate the sale of the bonds to the Authorized Representatives in the manner outlined above pursuant to the authority contained in Chapter 1371, as amended, Texas Government Code.

**ALTERNATIVES:**

n/a

**OTHER CONSIDERATIONS:**

n/a

**CONFORMITY TO CITY POLICY:**

This item conforms to City policy.

**EMERGENCY / NON-EMERGENCY:**

Issuance of municipal obligations are exempted from the City's charter provision regarding dual reading and/or emergency adoption provisions pursuant to the provisions of Section 1201.028, as amended, Texas Government Code.

**DEPARTMENTAL CLEARANCES:**

- Capital Programs
- Bond Counsel
- Legal Department

**FINANCIAL IMPACT:**

Not Applicable    Operating Expense                       Revenue                       CIP

<b>FISCAL YEAR:</b>	<b>Project to Date Exp. (CIP Only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Budget	-	-	-	-
Encumbered/Expended amount of (date)	-	-	-	-
This item	-	\$ 99,495,000	-	\$ 99,495,000
<b>BALANCE</b>	-	\$ 99,495,000	-	\$ 99,495,000
FUND(S): CIP Fund (number to be determined after bond sale)				

**COMMENTS:**

The financial impact of this item is consistent with the financing plan included with the adopted 2015 Capital Improvement Plan.

**RECOMMENDATION:**

Staff recommends approval of the ordinance as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance