



AGENDA MEMORANDUM

Future Item for the City Council Meeting of February 27, 2018
Action Item for the City Council Meeting of March 20, 2018

DATE: March 2, 2018

TO: Margie C. Rose, City Manager

THRU: Sylvia Carrillo-Treviño, Assistant City Manager

FROM: Constance P. Sanchez, Director of Financial Services
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<p>Notice of Intention to Issue Tax-Exempt Certificates of Obligation for Streets and Facilities</p>

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 \$15,750,000 in Certificates of Obligation for certain street and facility improvements; complying with the requirements contained in Securities and Exchange Commission Rule 15c2-12; and providing an effective date.

PURPOSE:

The City plans on issuing up to \$9,650,000 of certificates of obligation to finish the remaining 2014 Bond Projects. Additionally, the City plans on issuing up to \$2,000,000 of certificates of obligation for the purpose making permanent public improvements to City facilities, and \$4,100,000 for street improvements related to the Texas Department of Transportation's (TXDOT) Harbor Bridge Replacement Project. These will be sold in one issuance totaling \$15,750,000.

BACKGROUND AND FINDINGS:

Bond 2014 Projects: At the August 16, 2016, City Council meeting, the City Council discussed issuing certificates of obligation to complete three projects from Bond 2014. The projects discussed were as follows:

- | | |
|--------------------------------|--------------------|
| • Rodd Field & Yorktown | \$3,900,000 |
| • Six Points | 3,750,000 |
| • Street Lighting Improvements | <u>2,000,000</u> |
| | <u>\$9,650,000</u> |

Additionally, on January 24, 2017, the City Council approved a resolution relating to establishing the City's intention to reimburse itself for the prior lawful expenditure of funds from the proceeds one or more series of tax-exempt or taxable obligations to be issued by the City in an aggregate amount not to exceed \$9,650,000 for authorized purposes relating to constructing various City improvements. This agenda item is the first step in the process to acquire the funding for these projects.

Facilities: The City's Facilities Department has reviewed project needs throughout the City's inventory. Major immediate needs include roofs, chillers, and other improvements recently impacted and exacerbated by Hurricane Harvey. The \$2,000,000 would address the most immediate needs city-wide.

Harbor Bridge Replacement Project Related Street Improvements: During a City Council workshop held on July 13, 2017, four City streets were identified that needed improvements in anticipation of increased traffic volumes associated with TXDOT's Harbor Bridge Replacement Project:

- | | |
|---------------------------------------------------------------|--------------------|
| • Comanche Street from Crosstown Expressway to Staples Street | \$1,300,000 |
| • Lipan Street from Crosstown Expressway to Upper Broadway | \$1,100,000 |
| • Surfside Boulevard from Coastal Avenue to Reef Avenue | \$ 900,000 |
| • Timon Boulevard from Coastal Avenue to Sandbar Avenue | <u>\$ 800,000</u> |
| | <u>\$4,100,000</u> |

Subsequently on August 15, 2017, the City Council approved a resolution relating to establishing the City's intention to reimburse itself for the prior lawful expenditure of funds relating to constructing various City improvements from the proceeds of one or more series of tax-exempt obligations to be issued by the City for authorized purposes in an aggregate amount not to exceed \$4,100,000. Additionally at the same meeting on August 15, 2017, the City Council approved a resolution directing the City Manager to fund repair of selected streets impacted by the Harbor Bridge Replacement Project using the financing option which provides the lowest cost to the City. City staff is researching whether this project can be funded through a State Infrastructure Bank loan (SIB) through TXDOT – that offers a lower cost of borrowing. If that is not feasible, then City of Corpus Christi certificates of obligation will be issued. As noted above, this agenda item is the first step in the process to acquire the funding for these projects.

To fund all three projects, the City plans on issuing Certificates of Obligation in an amount not to exceed \$15,750,000. State law requires that a notice of intention be published when Certificates of Obligation are to be sold. The notice must be published once a week for two consecutive weeks in a newspaper, with the date of the first publication to be before the 30th day before the date tentatively set for the passage of the ordinance authorizing the issuance of the certificates. The ordinance authorizing the issuance of the first series of certificates is tentatively scheduled as a first reading on May 8, 2018 with a second and final reading on May 15, 2018. The City anticipates publishing this notice in the Corpus Christi Caller-Times on Sunday, March 25, 2018 and Sunday, April 1, 2018.

ALTERNATIVES: n/a

OTHER CONSIDERATIONS: n/a

CONFORMITY TO CITY POLICY:

This item conforms to City policy.

EMERGENCY / NON-EMERGENCY: n/a

DEPARTMENTAL CLEARANCES:

- Facilities Department
- Engineering Services
- Financial Services
- Bond Counsel
- City Attorney's Office

FINANCIAL IMPACT:

☐ Not Applicable ☐ Operating Expense ☒ Revenue ☐ CIP

FISCAL YEAR:	Project to Date Exp. (CIP Only)	Current Year	Future Years	TOTALS
Budget	-	\$ 15,750,000	-	\$ 15,750,000
Encumbered/Expended amount of (date)	-	-	-	-
This item	-	\$ 15,750,000	-	\$ 15,750,000
BALANCE	-	-	-	-
FUND(S): CIP Fund				

COMMENTS: n/a

RECOMMENDATION:

Staff recommends approval of the resolution as presented.

LIST OF SUPPORTING DOCUMENTS:

Resolution