



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 42

Agenda Date: August 8, 2024

In Control: City Council A Session

DEPARTMENT: Finance Department

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Issuance, Sale, and Delivery of the 2024 Bonds

SUMMARY:

This Ordinance by the City Council of the City of San Antonio, Texas authorizes the issuance of up to \$198,000,000 “City of San Antonio, Texas General Improvement Bonds Series 2024”; levies a continuing direct annual Ad Valorem Tax for the payment of the Bonds; prescribes the form, terms, conditions, and resolves 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; authorizes the execution of a Paying Agent/Registrar Agreement and a Purchase Contract; complies with the provisions of the Depository Trust Company’s Letter of Representations; delegates the authority to certain City Officials and staff to establish the terms of the sale of the Bonds and to execute certain documents relating to the sale thereof; enacts other provisions incident and related to the subject and purpose of this Ordinance; and provides for an effective date.

BACKGROUND INFORMATION:

The FY 2024 Adopted Capital Budget and FY 2024 Capital Budget Amendments include the proposed sale of bonds to fund projects totaling approximately \$195,200,000 in an amount not to exceed \$198,000,000 General Improvement Bonds, Series 2024 (the “2024 Bonds”). The differential between the amount to be funded and the maximum issuance amount is attributable to flexibility necessary to allow for market conditions at the time of sale. The issuance of the 2024 Bonds may include a premium which will be used to fund the costs of issuance for the 2024 Bonds.

On May 7, 2022, the 2022 Bond Program was approved by the voters in the amount of \$1,200,000,000. The issuance of the 2024 Bonds represents the third issuance of bonds for the 2022 Bond Program. The total project amount to be funded from the sale of the 2024 Bonds is detailed below:

Streets, Bridges, and Sidewalks	\$77,533,427
Drainage and Flood Control	17,708,318
Parks & Recreation	60,118,733
Library and Cultural Facilities	15,275,060
Public Safety Facilities	24,497,526
Affordable Housing	--
Total 2024 Bonds	\$195,133,064

Approval of this Ordinance will give parameter sale authorization for the 2024 Bonds. This authorization will give the City Manager and Chief Financial Officer the flexibility to establish the pricing terms on the 2024 Bonds and the authority to sign the applicable purchase contracts upon completion of the sale of the 2024 Bonds.

It is anticipated that the 2024 Bonds will be sold the week of August 19, 2024, by an underwriting syndicate led by Piper Sandler & Co. as Senior Book Running Manager; Raymond James & Associates, Inc. as Co-Senior Manager; and Academy Securities, Inc., Blaylock Van, LLC, Jefferies, LLC, Mesirow Financial, Inc., Mischler Financial Group, Inc., and Stifel, Nicolaus & Company, Inc. as Co-Managers. Closing and delivery of the 2024 Bonds is anticipated to occur on September 18, 2024.

Hilltop Securities Inc. and Estrada Hinojosa & Company, Inc., are serving as Co-Financial Advisors.

ISSUE:

The aforementioned transaction will fund capital projects that been approved in the FY 2024 Adopted Capital Budget and are consistent with the Debt Management Plan.

ALTERNATIVES:

The cost of the improvements to be financed could be absorbed into the City's operating budget and/or the proposed capital projects could be deferred or not done. However, this alternative is not budgeted and would negatively impact funding for other services and improvements or result in approved capital projects not being constructed.

FISCAL IMPACT:

Any costs pertaining to the proposed transaction will be paid for from the proceeds derived from the issuance and sale of such obligations. Therefore, there is no impact on the City's Operating Budget.

RECOMMENDATION:

Staff recommends approval of this Ordinance that authorizes the issuance, sale, and delivery of the 2024 Bonds.