

Memorandum



CITY OF DALLAS

DATE September 19, 2023

Honorable Members of the Government Performance and Financial Management Committee:
TO Chad West (Chair), Paula Blackmon (Vice Chair), Cara Mendelsohn, Jesse Moreno, and
Jaime Resendez

SUBJECT **September 27, 2023 Upcoming Agenda Items – 23-2052 and 23-2431 –
Ordinances Authorizing Debt Issuance for Kay Bailey Hutchison Convention
Center Master Plan and Fair Park Improvements**

The September 27, 2023 City Council Agenda includes two ordinance items approving and authorizing the issuance and sale of City of Dallas, Texas, Special Tax Revenue Obligations (Kay Bailey Hutchison Convention Center Venue Project), Series 2023 in an amount not to exceed \$172,000,000; and Special Tax Revenue Obligations (Fair Park Venue Project), Series 2023 in an amount not to exceed \$51,000,000 (collectively, the “Bonds”). On June 14, 2023, City Council approved a resolution authorizing the preparation of plans and the payment of potential future costs and expenses for the issuance of the Bonds, as part of the KBHCCD Master Plan and Fair Park improvement projects approved by voters under Proposition A on November 8, 2022.

At the advisement of the City's Co-Financial Advisors, Hilltop Securities and Estrada Hinojosa & Co., to remain in compliance with Chapter 334 (the “Brimer Bill”) and meet the needs of project design and other initial contract awards while maintaining coverage requirements for future bond issuances, the Bonds will be issued as short-term debt via private placement with a qualified bank or investors utilizing a placement agent. To maximize bonding capacity, the short-term debt will be structured with a redemption feature so that the Bonds can be refunded into long-term debt at the same time the City issues long term bonds for the Kay Bailey Hutchison Convention Center Venue Project and Fair Park Venue Project (collectively, the “Dallas Venue Projects”). Chapter 334 requires an issuance of the Dallas Venue Projects debt within one year of the Brimer Bill tax levy, which began on January 1, 2023.

The ordinances authorize City staff and co-financial advisors to work with the placement agent who will negotiate the sale and placement of the Bonds with potential purchasers. Payment of fees and expenses is contingent upon the issuance and sale of the Bonds. Following a presentation from City staff, S&P Global Ratings is scheduled to provide a credit rating for the Bonds on September 20. Pending City Council approval of the ordinances on September 27, the bonds are scheduled to price in October and are estimated to close in November 2023.

DATE September 15, 2023
SUBJECT **September 27, 2023 Upcoming Agenda Items – 23-2052 and 23-2431 – Ordinances Authorizing Debt Issuance for Kay Bailey Hutchison Convention Center Master Plan and Fair Park Improvements**

Please let me know if you have any questions or need additional information.



Jack Ireland
Chief Financial Officer

c: Honorable Mayor and Members of the City Council
T.C. Broadnax, City Manager
Tammy Palomino, City Attorney
Mark Swann, City Auditor
Billerae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Deputy City Manager

Jon Fortune, Deputy City Manager
Majed A. Al-Ghafry, Assistant City Manager
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Robert Perez, Assistant City Manager
Carl Simpson, Assistant City Manager
Genesis D. Gavino, Chief of Staff to the City Manager
Directors and Assistant Directors