



## Legislation Details (With Text)

<b>File #:</b>	21-1795	<b>Version:</b>	1	<b>Name:</b>	
<b>Type:</b>	ITEMS FOR INDIVIDUAL CONSIDERATION			<b>Status:</b>	Approved
<b>File created:</b>	9/13/2021			<b>In control:</b>	City Controller's Office
<b>On agenda:</b>	9/22/2021			<b>Final action:</b>	
<b>Title:</b>	An ordinance (1) authorizing the issuance and sale of Hotel Occupancy Tax Revenue Refunding Bonds, Series 2021, in an amount not to exceed \$270,000,000; (2) establishing parameters regarding the sale of the Bonds; (3) approving the official statement; (4) enacting other provisions relating to the subject; and (5) declaring an effective date - Not to exceed \$910,300 - Financing: 2021 Convention Center Refunding Bonds Fund (\$900,100) and Convention and Event Services Fund (\$10,200)				
<b>Sponsors:</b>					
<b>Indexes:</b>	300				
<b>Code sections:</b>					
<b>Attachments:</b>	1. Attachment I, 2. Ordinance				

Date	Ver.	Action By	Action	Result
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**STRATEGIC PRIORITY:** Government Performance and Financial Management

**AGENDA DATE:** September 22, 2021

**COUNCIL DISTRICT(S):** N/A

**DEPARTMENT:** City Controller's Office

**EXECUTIVE:** Elizabeth Reich

### SUBJECT

An ordinance **(1)** authorizing the issuance and sale of Hotel Occupancy Tax Revenue Refunding Bonds, Series 2021, in an amount not to exceed \$270,000,000; **(2)** establishing parameters regarding the sale of the Bonds; **(3)** approving the official statement; **(4)** enacting other provisions relating to the subject; and **(5)** declaring an effective date - Not to exceed \$910,300 - Financing: 2021 Convention Center Refunding Bonds Fund (\$900,100) and Convention and Event Services Fund (\$10,200)

### BACKGROUND

This proposed revenue bond sale is for the refunding and retirement of Civic Center Convention Complex Revenue Refunding and Improvement Bonds, Series 2009. The City's co-financial advisors, Hilltop Securities, recommend the issuance of refunding bonds to refund the eligible outstanding Civic Center Convention Complex Revenue Refunding and Improvement Bonds, Series 2009 in an amount not to exceed \$270 million, for an estimated net present value savings of 19.8 percent. The

bonds will be sold in a negotiated sale.

On April 29, 2021, the City issued a Request for Proposals for Convention Center Debt Refinancing underwriting from the pool of qualified firms and received 27 proposals in response. To accommodate this transaction, the City's co-financial advisors recommended a syndicate of eight underwriting firms comprising a mix of national and regional firms and two non-Minority Women-owned Business Enterprises (M/WBE) firms. Following committee review, the City plans to use an underwriting syndicate team comprising Ramirez & Co., Inc.; Piper Sandler & Co.; Morgan Stanley; Wells Fargo Securities; Loop Capital Markets; Stifel, Nicolaus & Co., Inc.; Baird; and RBC Capital Markets, LLC. Ramirez & Co., Inc. will be the Bookrunning Senior Manager and Morgan Stanley will serve as the Co-Senior Manager.

This ordinance authorizes City staff and financial advisors, subject to parameters, to sell and issue the Hotel Occupancy Tax Revenue Refunding Bonds, Series 2021 and establishes the total maximum par amount of bonds to be issued at \$270,000,000.

### **ESTIMATED SCHEDULE OF PROJECT**

Approval of Bond Resolution	September 2021
Approval of Bond Ordinance	September 2021
Pricing	October 2021
Delivery of Proceeds	November 2021

### **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

Information about this item was provided to the Government Performance and Financial Management Committee on August 23, 2021.

On September 9, 2021, City Council authorized a resolution authorizing the preparation of plans and the payment of potential future costs and expenses for the issuance of Civic Center Convention Complex Revenue Refunding and Improvement Bonds, Series 2021 by Resolution No. 21-1448.

### **FISCAL INFORMATION**

Fund	FY 2022	FY 2023	Future Years
2021 Convention Center Bond Funds	\$900,100.00	\$0.00	\$0.00
Convention and Event Services Fund	\$ 10,200.00	\$0.00	\$0.00
Total	\$910,300.00	\$0.00	\$0.00

Attachment I provides an estimate of bond issuance costs for the proposed bonds and the M/WBE participation. Payment of fees and expenses is contingent upon the issuance and sale of the Hotel Occupancy Tax Revenue Refunding Bonds, Series 2021.