



Legislation Details (With Text)

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On agenda: 6/14/2023 **Final action:**

Title: A resolution authorizing the preparation of plans and the payment of potential future costs and expenses for the issuance of (1) Special Tax and Revenue Bonds (Convention Center Venue Project), Series 2023 in a principal amount not to exceed \$172,000,000; and (2) Special Tax Bonds (Fair Park Venue Project), Series 2023 in a principal amount not to exceed \$51,000,000 - Financing: This action has no cost consideration to the City (see Fiscal Information for potential future costs)

Sponsors:

Indexes: 300

Code sections:

Attachments: 1. Attachment I, 2. Resolution

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

AGENDA DATE: June 14, 2023

COUNCIL DISTRICT(S): N/A

DEPARTMENT: City Controller's Office

EXECUTIVE: Jack Ireland

SUBJECT

A resolution authorizing the preparation of plans and the payment of potential future costs and expenses for the issuance of **(1)** Special Tax and Revenue Bonds (Convention Center Venue Project), Series 2023 in a principal amount not to exceed \$172,000,000; and **(2)** Special Tax Bonds (Fair Park Venue Project), Series 2023 in a principal amount not to exceed \$51,000,000 - Financing: This action has no cost consideration to the City (see Fiscal Information for potential future costs)

BACKGROUND

Pursuant to an election held within the City of Dallas on November 8, 2022 in accordance with Chapter 334 of Texas Local Government Code (the "Brimer Bill"), voters approved Proposition A authorizing the City to provide for the planning, acquisition, establishment, development, construction, renovation and financing of the expansion of the Kay Bailey Hutchison Convention Center Dallas and related infrastructure as defined in Chapter 334 (collectively, the "Convention Center Venue Project") and to provide for the planning, acquisition, establishment, development, construction, renovation and financing of certain Fair Park facilities and related infrastructure (collectively, the "Fair Park Venue Project" and together with the Convention Center Venue Project,

the “Dallas Venue Projects”) and to impose a maximum increase of two percent (2%) of Hotel Occupancy Tax (HOT) as a source of pledged revenues for financing. 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.

To remain in compliance with Chapter 334 and meet the needs of project design and other initial contract awards while maintaining coverage requirements for future bond issuances, the City’s co-financial advisors, Hilltop Securities and Estrada Hinojosa & Co., recommend the issuance of Special Tax and Revenue Bonds (Convention Center Venue Project), Series 2023 and Special Tax Bonds (Fair Park Venue Project), Series 2023 (collectively, the “Bonds”) in an aggregate principal amount not to exceed \$223,000,000 via private placement with a qualified bank. 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 Convention Center Venue Project and Fair Park Venue Project.

The issuance and sale of the Obligations is contingent upon City Council’s approval of an Ordinance currently scheduled for consideration and approval by City Council in August 2023. Pending City Council approval, the bonds are estimated to close in September 2023.

ESTIMATED SCHEDULE OF PROJECT

Approval of Bond Resolution	June 2023
Approval of Bond Ordinance	August 2023
Pricing	August 2023
Delivery of Proceeds	September 2023

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

The Government Performance and Financial Management Committee was briefed on “FY 2022-23 Debt Issuance Overview” on November 15, 2022.

The Government Performance and Financial Management Committee was briefed on “Financial Plan Update for KBHCCD Master Plan & Fair Park Improvements” on May 22, 2023.

The City Council was briefed by memorandum regarding this matter on June 9, 2023.

Information about this item will be provided to the Government Performance and Financial Management Committee on June 13, 2023.

FISCAL INFORMATION

This action has no cost consideration to the City. The anticipated cost of issuance is \$2,241,925 from bond issuance funds. See Attachment I.

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 Special Tax and Revenue Bonds (Convention Center Venue Project), Series 2023 and Special Tax Bonds (Fair Park Venue Project), Series 2023.