



Legislation Text

File #: 21-1566, **Version:** 1

STRATEGIC PRIORITY: Government Performance and Financial Management

AGENDA DATE: September 9, 2021

COUNCIL DISTRICT(S): N/A

DEPARTMENT: City Controller's Office

EXECUTIVE: Elizabeth Reich

SUBJECT

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 in an amount not to exceed \$270,000,000 - Financing: This action has no cost consideration to the City (see Fiscal Information for potential future costs)

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; comprised of 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 comprised of [Citigroup Global Markets, Inc.](#); Ramirez & Co., Inc.; Piper Sandler & Co.; Morgan Stanley; [Goldman Sachs & Co. LLC](#) [Wells Fargo Securities](#); Loop Capital Markets; Stifel, Nicolaus & Co., Inc.; Baird, and [RBC Capital Markets, LLC](#). [Citigroup Global Markets, Inc.](#) [Ramirez & Co., Inc.](#) will be the Bookrunning Senior Manager and [Ramirez & Co., Inc.](#) [Morgan Stanley](#) will serve as the Co-Senior Manager.

The issuance and sale of the bonds is contingent upon City Council's approval to begin preparations of the issuance and parameters Ordinances currently scheduled for consideration and approval by the City Council in September 2021.

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.

FISCAL INFORMATION

This action has no cost consideration to the City. The anticipated cost of issuance is \$910,300 from 2021 Convention Center Bond 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 Civic Center Convention Complex Revenue Refunding and Improvement Bonds, Series 2021.