



Legislation Text

File #: 23-734, Version: 1

STRATEGIC PRIORITY: Government Performance & Financial Management
AGENDA DATE: April 12, 2023
COUNCIL DISTRICT(S): N/A
DEPARTMENT: City Controller's Office
EXECUTIVE: Jack Ireland

SUBJECT

An ordinance authorizing **(1)** the issuance and sale of City of Dallas, Texas, General Obligation Refunding and Improvement Bonds, Series 2023 in an aggregate principal amount not to exceed \$455,880,000; **(2)** levying a tax in payment thereof; **(3)** awarding the sale thereof and approving execution of a Purchase Agreement, a Deposit Agreement and an Escrow Agreement; **(4)** approving the official statement; **(5)** enacting other provisions relating to the subject; and **(6)** declaring an effective date - Not to exceed \$1,040,000 - Financing: 2023 General Obligation Refunding and Improvement Bond Funds

BACKGROUND

On February 8, 2023, the City Council authorized the preparations of plans and the payment of potential future costs and expenses for the issuances of General Obligation Refunding and Improvement Bonds, Series 2023 (the "Series 2023 Bonds"), in a total amount not to exceed \$455,880,000, to refund outstanding commercial paper and up to \$81,880,000 of eligible Series 2013A obligations, and to finance capital improvement projects at the City, in an amount not to exceed \$374,000,000. Federal tax regulations allow for the reimbursement of capital expenditures from bond or short-term debt proceeds. These regulations can be used to begin implementation prior to issuance of bonds or commercial paper.

As such, the City's financial advisors, PFM Financial Advisors LLC, recommend the issuance of General Obligation Refunding and Improvement Bonds, Series 2023 in an amount not to exceed \$455,880,000, to finance capital projects included in the 2017 Bond Program, and to refund eligible outstanding General Obligation debt and commercial paper via a negotiated sale. The underwriter syndicate for the negotiated sale is in the process of being selected and will be presented to the City Council prior to the bond pricing.

This ordinance authorizes City staff and financial advisors, subject to parameters, to issue City of Dallas, General Obligation Refunding and Improvement Bonds, Series 2023 in a negotiated sale, tentatively scheduled in May 2023.

ESTIMATED SCHEDULE OF PROJECT

Authorize Preparation for Issuance of Bonds	February 2023
Authorize Notice of Intent	February 2023
Approval of Parameters Ordinances	April 2023
Pricing	May 2023
Delivery of Proceeds	May 2023

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

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

[The Government Performance and Financial Management Committee was briefed by memorandum regarding this matter on January 23, 2023. <https://cityofdallas.legistar.com/View.ashx?M=F&ID=11593504&GUID=DA8A6E64-A6A0-459E-80D7-B05ECDEAAD81>](https://cityofdallas.legistar.com/View.ashx?M=F&ID=11593504&GUID=DA8A6E64-A6A0-459E-80D7-B05ECDEAAD81)

On February 8, 2023, the City Council authorized a resolution authorizing the preparation of plans and the payment of potential future costs and expenses for the issuances of General Obligation Refunding and Improvement Bonds, Series 2023A in an amount not to exceed \$455,880,000; and Combination Tax and Revenue Certificates of Obligation, Series 2023, in an amount not to exceed \$61,500,000, by Resolution No. 23-0237.

[The City Council was briefed by memorandum regarding this matter on April 7, 2023. <https://dallascityhall.com/government/citymanager/Documents/FY%2022-23%20Memos/Friday%20Memo%20-%20CO%20GO%20Bonds%202023A%20Parameters%20Ordinances%20Draft%20040723%20JI%20Updates.pdf>](https://dallascityhall.com/government/citymanager/Documents/FY%2022-23%20Memos/Friday%20Memo%20-%20CO%20GO%20Bonds%202023A%20Parameters%20Ordinances%20Draft%20040723%20JI%20Updates.pdf)

FISCAL INFORMATION

Fund	FY 2023	FY 2024	Future Years
2023 General Obligation Refunding and Improvement Bonds Fund	\$1,040,000.00	\$0.00	\$0.00

Attachment I provides an estimate of bond issuance costs for the proposed equipment notes and the M/WBE participation. Payment of fees and expenses is contingent upon the issuance and sale of the General Obligation Refunding and Improvement Bonds, Series 2023.