

## Legislation Text

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Presenter/Contact

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**SUBJECT:**

Discuss and consider approval of a resolution authorizing proceeding with the issuance of Certificates of Obligation; Directing Publication of Notice of Intention to Issue Certificates of Obligation; and Other Related Matters.

**BACKGROUND / RATIONALE:**

The New Braunfels Economic Development Corporation (NBEDC) has been working with City staff to finalize a funding strategy for two current commitments: \$5,800,000 contribution to the community recreation center and \$2,500,000 for the NBISD field improvements. The board recently provided consensus to move forward with a certificate of obligation debt issuance to support these two projects and associated expenditures. This provides the NBEDC to maintain reserves in FY 2017-18 and FY 2018-19 more in line with traditional levels. Annual debt service to support these projects will be approximately \$640,000 and will be fully supported by the NBEDC. While the debt service will be supported by the NBEDC, the Certificates of Obligation will be issued with the City's credit rating. Doing so, the EDC can take advantage of better interest rates. Prior to the issuance of the Certificates of obligation, The NBEDC will adopt an agreement to repay to annual debt service payment(s).

Attached for Council consideration is the resolution related to the issuance in an amount not to exceed \$8.3 million in certificates of obligation for the public purpose of paying contractual obligations incurred or to be incurred for: (i) expansion of recreational facilities and related improvements at the New Braunfels Community Recreation Center, including gymnasium, aquatic facilities and meeting space; and construction of sports fields artificial turf and field lighting including the construction, replacement or improvement to the land consisting of buildings, equipment, facilities, infrastructure or other expenditures connected therewith and (ii) the payment of professional services in connection therewith including legal, fiscal and engineering fees and the costs of issuing the certificates of obligation.

The Certificates of Obligation will be issued in accordance with the timeline provided below.

- Monday, August 13 - City Council authorizes notice of intent resolution
- Wednesday, August 22 - First publication of notice of intent
- Wednesday, August 29 - Second publication of notice of intent
- Monday, September 24 - NBEDC meets to adopt agreement to repay obligations
- Monday, September 24 - City Council meets to adopt a resolution approving the ordinance authorizing the issuance and agreement with the NBEDC
- Wednesday, October 24 - Obligations closing, funds wired to the NBEDC

**ADDRESSES A NEED/ISSUE IN A CITY PLAN OR COUNCIL PRIORITY:**

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**FISCAL IMPACT:**

The proceeds will reimburse the NBEDC for the projects described above. Annual debt service will be supported completely by the NBEDC.

**COMMITTEE RECOMMENDATION:**

N/A

**STAFF RECOMMENDATION:**

Staff recommends approval of the attached resolution