



## Legislation Text

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**File #:** 21-0425, **Version:** 1

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Consider and take action on two ordinances authorizing the issuance of City of League City, Texas General Obligation Improvement Bonds, Series 2021 and Combination Tax and Revenues Certificates of Obligation, Series 2021; levying a tax in payment thereof; authorizing the issuance of the bonds in accordance with specified parameters; approving the preparation and distribution of an official statement; and enacting other provisions relating thereto; and providing for the effective date thereof (Interim Director of Finance)

Staff requests approval on first and final reading.

This ordinance authorizes the issuance of General Obligation Bonds. There are no years that will include interest only payments or balloon payments in the proposed structure. Principal will be amortized over each year for a term of 20 years. This will be the third installment of Proposition A and Proposition B General Obligation Bonds approved by the voters in 2019.

This ordinance also authorizes the issuance of Certificates of Obligation. There are no years that will include interest only payments or balloon payments in the proposed structure. Principal will be amortized over each year for a term of 20 years.

This bond and certificates sale is to be competitive with delegated authority to the Mayor, City Manager and Executive Director of Finance. Based on current market conditions, the competitive sale approach with delegated authority is intended to achieve the lowest overall cost to the City for this sale in terms of total interest cost.

The Preliminary Official Statement (POS) is the offering document used to present the City's sale to the marketplace. The POS contains financial, organizational, programmatic and legal information about the City, including planned use of bond proceeds, and the initial proposed payment schedule for the bonds.

The bond ordinance approves the sale with the parameters that will control the approval of the sale by the Mayor, City Manager and Executive Director of Finance and Project Management. This includes:

1. A sale of bonds not to exceed \$25,000,000 in principal.
2. A sale of certificates not to exceed \$13,000,000 in principal.
2. A maximum maturity date no later than February 15, 2041, for both the bonds and certificates.
3. Authority to approve the sale as late as August 26, 2021.
4. An interest rate not to exceed 2.25%.

Staff intends to conduct the sale on or about Thursday, August 26, 2021. The bond and certificate calendar will be monitored and a date for the sale chosen that is advantageous to the City relative to other bond sales and market conditions. The following firms are providing professional services for the sale:

1. The City authorized a contract with Hilltop Securities to provide financial advisory services to the City on May 14, 2021.
2. The City authorized Bracewell, LLP to serve as legal counsel for the issuance of bonds.

Attachments:

1. Data Sheet
2. Proposed Ordinance CO
3. Proposed Ordinance GO
4. Cost of Issuance Analysis
5. Draft Preliminary Official Statement

FUNDING

{X} NOT APPLICABLE

STRATEGIC PLANNING

{X} NOT APPLICABLE