

Mayor and Council Communication

DATE: 10/17/23

M&C FILE NUMBER: M&C 23-0850

LOG NAME: 13AMENDED AND RESTATED 2023AB SPECIAL TAX REVENUE BONDS

SUBJECT

(ALL) Adopt Amended and Restated Ordinances Authorizing the Issuance of City of Fort Worth, Texas, Tax-Exempt Special Tax Revenue Bonds, Series 2023A, in an Aggregate Principal Amount Not to Exceed \$32,000,000.00 and City of Fort Worth, Texas, Taxable Special Tax Revenue Bonds, Series 2023B, in an Aggregate Principal Amount Not to Exceed \$44,000,000.00, Establishing Parameters with Respect to the Sale of the Bonds, Delegating to the Designated City Officials the Authority to Effect the Sale of Bonds, and Enacting Other Provisions Relating to the Subject

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the attached amended and restated ordinance authorizing the issuance of City of Fort Worth, Texas Special Tax Revenue Bonds, (Tax-Exempt) Series 2023A, in an aggregate principal amount not to exceed \$32,000,000.00 for the purpose of (i) paying costs paid or incurred as part of the planning, design, engineering, land acquisition, construction, reconstruction, equipping, furnishing and opening the Series 2023A project improvements at the Will Rogers Memorial Center as an Adjacent Support Facilities project as part of the Venue project, and (ii) paying certain costs of issuance; authorizing execution of all related documents; approving the sale of the bonds subject to certain parameters being met; designating City officials authority to effect the sale; and ordaining related matters thereto; and
2. Adopt the attached amended and restated ordinance authorizing the issuance of City of Fort Worth, Texas Special Tax Revenue Bonds, Taxable Series 2023B, in an aggregate principal amount not to exceed \$44,000,000.00 for the purpose (i) of paying costs paid or incurred as part of the planning, design, engineering, land acquisition, construction, reconstruction, equipping, furnishing and opening the Series 2023B project at the Will Rogers Memorial Center, including improvements to the Sheep and Swine Barn, as an Adjacent Support Facilities project as part of the Venue project, and (ii) paying certain costs of issuance; authorizing execution of all related documents; approving the sale of the bonds subject to certain parameters being met; designating City officials authority to effect the sale; and ordaining related matters thereto.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to take actions associated with the issuance and sale of 2023A and 2023B Special Tax Revenue Bonds to make improvements at the Will Rogers Memorial Center (WRMC), which is an adjacent support facility of the multipurpose arena venue project designated by Council and approved by voters in 2014 (Resolutions 4327-07-2014, 4378-11-2014).

On September 26, 2023, the Special Tax bond ordinances authorized by M&C 23-0792 included a bond parameter for the maximum net effective interest rate to not exceed 6%. While this figure is workable for the tax-exempt debt, it was an error with respect to the taxable series. This M&C follows up M&C 23-0792, and serves to amend the ordinances to increase the parameter regarding maximum net effective interest rate on the taxable Series 2023Bs from 6% to 10%, correcting the prior misstatement, and to make minor technical corrections to both ordinances.

In order for WRMC to maintain its competitive position in the markets served by the complex, capital investments are required to maintain and improve its facilities. The capital investments to be funded by this debt issuance include the following:

- WRMC General Capital projects totaling \$28,900,000.00 related to the capital replacement of mechanical, electrical, and plumbing systems across the WRMC complex, as well as investments in furniture, fixtures, and equipment that will better enable the WRMC complex to serve its customers. Projects are slotted to begin in February 2024, with a forecasted completion of all projects by December of 2028.
- Re-Building of the WRMC Sheep and Swine Barn estimated at \$40,000,000.00. The current facility was constructed in 1942 and has received limited investment since that time. The proposed project demolishes the facility (with the exception of its historic front façade) and constructs a more modern, multi-purpose sheep and swine facility on the same site. Construction on this project is expected to begin in February of 2024 and conclude by December of 2024.

The attached amended and restated ordinances repeal and replace the ordinances that were approved on September 26 and reflect an updated maximum net effective interest rate for the taxable bonds. Staff is recommending that these bonds be sold through a negotiated bid sale with the City Manager or the Chief Financial Officer having authority to approve the terms of the sale so long as those terms come within the parameters set forth in the Council-adopted ordinance. Prior to the sale, rating agency calls with Moody's and Fitch were conducted on September 21, 2023. Pricing is scheduled for October 18, 2023 with an anticipated closing date of November 15, 2023. Subsequent to accepting the underwriters' bid and awarding the sale of the bonds, the City will seek approval of the debt transactions from the Texas Attorney General.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon adoption of the attached ordinances, the sale of the 2023A and 2023B Special Tax bonds will occur as required under the parameters set forth therein and that funds will be available in the Special Tax Rev Bnd Serie 2023A Fund and Special Tx Rv Bd Txbt Srs 2023B Fund to record the appropriate and necessary transactions. Prior to any expenditures being incurred, the Public Events

Department and Financial Management Services Department have the responsibility to validate the availability of funds.

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Expedited