

City of Fort Worth, Texas

# Mayor and Council Communication

DATE: 05/13/25 M&C FILE NUMBER: M&C 25-0416

LOG NAME: 13SPECIAL TAX REVENUE AND REFUNDING BONDS, SERIES 2025

SUBJECT

(ALL) Adopt Ordinance Authorizing the Issuance and Sale of City of Fort Worth, Texas, Special Tax Revenue and Refunding Bonds, Series 2025 (Multipurpose Arena Venue Project), in an Aggregate Principal Amount Not to Exceed \$90,635,000.00, Establishing Parameters with Respect to the Sale of the Bonds, Delegating to the Designated City Officials the Authority to Effect the Sale of the Bonds, and Enacting Other Provisions Relating to the Subject, and Adopt Appropriation Ordinances

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the attached ordinance authorizing the issuance of the City of Fort Worth, Texas, Special Tax Revenue and Refunding Bonds, Series 2025 (Multipurpose Arena Venue Project), in an aggregate principal amount not to exceed \$90,635,000.00 for the purpose of (i) refunding certain of the City’s outstanding debt; (ii) paying costs paid or incurred in furniture, fixtures, and equipment, as an Adjacent Support Facilities Project as part of the Venue Project, and (iii) 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;
2. Adopt the attached ordinance increasing estimated receipts and appropriations in the Special Tax Revenue Bonds Series 2025A Capital Project Fund by \$13,870,000.00, subject to the sale of bonds and receipt of proceeds, for the purpose of funding capital improvements and paying the costs of issuance, with such amount subject to reduction to conform to final figures reflected in bond closing documents and with any excess cost of issuance funds remaining after closing being or transferred to the Venue Debt Service Fund; and
3. Adopt the attached ordinance increasing estimated receipts and appropriations in the Venue Debt Service Fund in the amount of \$76,765,000.00, subject to the sale of the bonds and receipt of proceeds, for the purpose of funding the required escrow to refund existing debt, and paying the costs of issuance, with such amount subject to reduction to conform to final figures reflected in bond closing documents and with any excess cost of issuance funds remaining after closing being or transferred to the Venue Debt Service Fund.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to take actions associated with the issuance and sale of the City of Fort Worth, Texas, Special Tax Revenue and Refunding Bonds, Series 2025 and appropriation of proceeds. This action will allow, (i) refinancing and restructuring of Special Tax Revenue and Refunding Bonds, Series 2017A, and (ii) investments in furniture, fixtures, and equipment at Will Rogers Memorial Center (WRMC), which serves as 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).

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

WRMC General Capital Projects (approximately \$13,600,000.00): This funding will allow for 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 expected to begin in September of 2025, with a forecasted completion of all projects by August of 2028

The schedule of project costs is listed below:

Project Description	Amount
Coliseum Concourse Renovation (Coliseum Lighting, Soundsystem, Auditorium Fire Suppression and Stage Rolled up)	\$9,700,000.00
Coliseum, Moncrief, Burnett Roof Repair/Replacement: Design & Construction (Gap Funding)	\$1,700,000.00
Auditorium Air Handling System Upgrade	\$2,200,000.00
Cost of Issuance	\$ 270,000.00
Total	\$13,870,000.00

Additionally, it is the City’s practice to achieve positive debt service savings through refinancing when the opportunity presents itself. Staff and the City’s Financial Advisors, PFM Financial Advisors LLC, is recommending that the Mayor and Council refund the Series 2017A with a par amount outstanding of \$74,580,000.00. The actual savings amount will not be determined until the time bids are received. However, in accordance with the City’s Financial Management Policy Statements, the ordinance provides that the refunding debt shall not be sold unless the sale will result in net present value savings of at least 3.50% of the par amount being refunded. Currently, the refunding is projected to provide an estimated of 8.60%

net present value savings, or \$6,428,028.00.

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. The City conducted a competitive Request for Qualifications process and received 35 bids. After a thorough evaluation and scoring process, we selected Wells Fargo, Hilltop and Cabrera Capital Markets as the underwriting syndicate for the transaction. Key parameters include that the bonds must be rated in one of the four highest generic rating categories (BBB or higher); the maximum maturity is March 1, 2055; maximum true interest cost of 8.00%; and maximum net effective interest rate, calculated per chapter 1204 of the Government Code, is 15.00%.

Rating agency calls with Moody's, Fitch, and Kroll will be conducted prior to the sale of the bonds. Ratings are anticipated to be received the week of May 12, 2025. Pricing is scheduled for June 10, 2025 with an anticipated closing date of July 9, 2025. 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.

The attached appropriation ordinance reflects the maximum appropriation amount for bond proceeds. Its structure accommodates variables associated with sale of debt. To the extent numbers at closing are less than those reflected in the ordinance, the available appropriation amount will be reduced as needed to reflect final figures based on the closing documents to ensure appropriations do not exceed actuals. Similarly, to the extent there are any remaining proceeds after paying cost of issuance expense, those funds are to be moved to the Venue Debt Service Fund.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon adoption of the attached ordinances, the sale of the 2025 Special Tax bonds will occur as required under the parameters set forth therein and that funds will be available in the Spcial Tax Rev Bnd Serie 2025A Fund and the Venue Debt Service 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.

**Submitted for City Manager's Office by:**      Reginald Zeno      8517

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Expedited