

## **BONDS**

### **RESOLUTION NO. 23-01**

**A Resolution Of The City Council Of The City Of  
Sugar Land, Texas, Authorizing Publication Of  
Notice Of Intention To Issue Certificates Of  
Obligation**

***Jennifer Brown***

***Director of Fiscal Projects***

## **Background- TWDB Loan**

- **Staff applied for a loan from TWDB for Covington Woods Drainage Improvements**
- **Project included in FY23 CIP budget**
  - **0% Interest, 30-year repayment**
  - **\$4,100,000 principal**
- **TWDB Board Approved on January 19, 2023**

# Combination GO/CO Issue

- 2019 GO Bond Election included \$3M for project
- Cost escalation increased engineer's estimate to \$4M
- Issue CO's for additional funding + issuance costs
- Consistent with FMPS direction to leverage funding opportunities
- Recommend issuing taxable bonds to avoid rebating arbitrage interest earned due to zero-interest loan
  - No additional cost to City to issue taxable bonds

# CDR2201: Covington Woods Drainage

## Covington & Imperial Woods

Funding Source	Amount
General Obligation Bonds	\$3,000,000
Certificate of Obligation	1,100,000
<b>TOTAL</b>	<b>\$4,100,000</b>

# Required Notice

- State law requires City to provide notice of intent to issue CO's
- Notice must be published in newspaper:
  - Once per week for two consecutive weeks
  - First notice must be 46+ days prior to the sale
- Notice shall also be continuously posted on the City's website for at least 45 days before the sale

## Action Recommended

- Approval of Resolution No. 23-01
- Stating the City's intent to issue Certificates of Obligation not to exceed \$1.5M on April 4, 2023
  - Authorize publication of notice in the City's official newspaper (February 15 & 22)
  - Post on City's website for 45 continuous days
- Anticipated closing May 9, 2023

# CLARIFYING QUESTIONS FOR STAFF

