



TO: Elizabeth Pauli, City Manager
FROM: Michael San Soucie, City Treasurer; Andy Cherullo, Finance Director
COPY: City Council and City Clerk
SUBJECT: An ordinance providing for: the issuance and sale of one or more series of limited tax general obligation refunding bonds in the aggregate principal amount of not to exceed \$32,000,000 to defease and refund certain outstanding general obligation bonds of the City and to pay costs of issuing the bonds; providing the form of the bonds; delegating the authority to approve the final terms of the bonds; and authorizing other matters related thereto.
DATE: May 26, 2023

SUMMARY:

This ordinance (the Ordinance) authorizes the issuance and sale of limited tax general obligation (LTGO) refunding bonds (Bonds), to refinance certain outstanding obligations for savings.

The proposed refunding of certain outstanding bonds is expected to result in significant debt service savings to the City.

STRATEGIC POLICY PRIORITY:

The issuance and sale of the Bonds will further the following City policy priorities:

- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

BACKGROUND:

The bonds intended to be refunded were issued by the City 2013 to refund a portion of the bonds issued in 2001 and 2004 to finance the acquisition, construction, improvement and equipping of the Greater Tacoma Convention Center.

With interest rates at current levels, the refunding of these bonds are expected to result in significant debt service savings.

ISSUE:

Security/Pledge of Revenues: The proposed Bonds will be secured by a pledge of the regular or excess property tax revenues of the City as well as a portion of Lodging Taxes authorized by RCW 67.28, as applicable.

Delegation: The Ordinance delegates authority to the City Finance Director, City Treasurer, and Assistant Finance Director/Controller, or their designees, for a limited time, to approve final terms of the Bonds, in accordance with parameters more fully described in Section 11 of the Ordinance.

ALTERNATIVES:

1. The City could approve the Ordinance, authoring the sale and issuance of the bond to refinance previously issued obligations in order to realize debt service savings.
2. The City could choose not to approve the Ordinance. This would result in no savings on the City's current debt service schedule.



- 3. The City could propose modifications to the Ordinance for consideration at a later date. Market conditions at a later date would determine if there would be significant savings or not.

RECOMMENDATION:

It is recommended that City Council approve the Ordinance, which delegates authority to certain authorized individuals to approve the final terms of the Bonds, including selection of the bonds to be refunded and the interest rates, maturity dates and redemption or prepayment terms of the Bonds, subject to parameters as outlined in Section 11 of the Ordinance.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
TOTAL			

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
TOTAL			

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: ARE THE EXPENDITURES AND REVENUES

PLANNED AND BUDGETED? If approved, this action will generate savings in the City’s current debt service schedule.