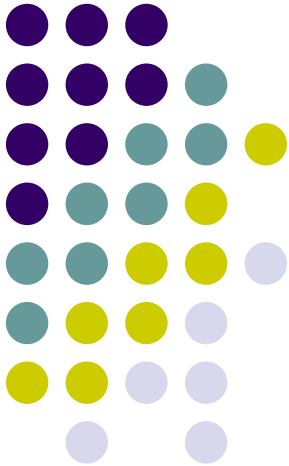


Certificates of Obligation Issuance – Convention Center Hotel Land Acquisition

April 2008

Economic Development Committee
February 19, 2008



Purpose



- The purpose of this briefing is to provide information regarding the sale of \$41.3m in certificates of obligation
- Seek committee recommendation of the February 27th resolution authorizing staff to proceed with the preparations for the sale of the certificates of obligation and establishing appropriations



Background

- Issuance will not exceed \$41.3m
- Uses of proceeds
 - Land acquisition for the Convention Center Hotel and associated costs
 - Not to exceed \$41 million
 - Estimated costs of issuance - \$175,000
 - Estimated underwriter's discount - \$247,800
- Revenue pledge – ad valorem taxes
- CO's are Interim Financing
 - CO's to be refunded with the sale of revenue bonds for the Convention Center Hotel or the refunding/restructuring of the Convention Center's existing debt

Sale Overview



- Negotiated Sale
 - City's co-financial advisors recommend utilizing negotiated sale due to issue's structure and short call
 - Recommend using the underwriting syndicate to be selected for the Convention Center Hotel
 - Syndicate members to be approved on March 26 agenda
 - Council approval of the ordinance and bond purchase agreement on April 23
- Ten year term
 - Level debt structure
 - 20 year amortization with balloon payment due in 2018
 - 2 year call
 - CO's callable on February 15, 2010

Schedule of Events



| | |
|-------------|--------------------------------------------------------------------------------------------------|
| February 19 | Economic Development Committee briefing |
| February 27 | Council authorization to prepare for certificate of obligation sale and establish appropriations |
| April 11 | Receive bond ratings |
| April 16 | Preliminary Official Statement posted on i-Deal |
| April 18 | Distribute Preliminary Official Statement and Representation Letters to Council |
| April 22 | Price CO's |
| April 23 | Council approval of ordinance and bond purchase agreement |
| May 22 | Deliver certificates and receive proceeds |



Recommendation

- Recommend approval of the February Council resolution authorizing staff to proceed with the preparations for the certificate of obligation sale and establishing appropriations

Appendix



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Debt Service Schedule – Page 9

Estimated Issuance Costs – Page 10