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**CITY OF HOUSTON - CITY COUNCIL**

Meeting Date: 3/26/2019

Item Creation Date:

FIN - CEF Series 2019

Agenda Item#:

**Summary:**

**Background:**

**RECOMMENDATION:**

Approve an ordinance authorizing the issuance of City of Houston, Texas, Convention and Entertainment Facilities Department Hotel Occupancy Tax and Special Revenue and Refunding Bonds, Series 2019.

**SPECIFIC EXPLANATION:**

The City has identified approximately \$70 million of certain outstanding variable rate Hotel Occupancy Tax and Special Revenue Adjustable Rate Bonds that can be refunded to fixed rate bonds in the current interest rate environment. This will help reduce the current variable rate exposure for the Convention and Entertainment Facilities Department. The recommended issuance of the Convention and Entertainment Facilities Department Hotel Occupancy Tax and Special Revenue Refunding Bonds, Series 2019 will refund these bonds and pay any associated costs of issuance.

Additionally, in conjunction with this transaction, the Finance Working Group will review possibilities to refinance existing debt if prudent opportunities to achieve present value savings exists. The anticipated size of the transaction is up to \$130 million, which includes \$50 million for capital improvements.

The Finance Working Group recommends the Convention and Entertainment Facilities Department Hotel Occupancy Tax and Special Revenue and Refunding Bonds, Series 2019 be issued through a negotiated financing with JPMorgan Chase serving as book running manager along with Mesirow Financial and Ramirez & Co. as senior managers. Orrick and Baker Williams Matthesen LLP are recommended as co-bond counsel along with Norton Rose Fulbright and Bates & Coleman as co-disclosure counsel.

This transaction was presented to the Budget and Fiscal Affairs Committee on March 5, 2019.

**Recommendation**

The Finance Working Group recommends the approval of this item.

Tantri Emo, Chief Business Officer and Director of Finance

Chris Brown, Houston City Controller

**Amount of Funding:**

n/a

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