



CITY COUNCIL AGENDA ITEM BRIEFING SHEET

Council Date: May 23, 2023	Department: Admin	Presented By: City Manager
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AGENDA ITEM:

THIS BRIEFING SHEET WILL PROVIDE BACKGROUND FOR THE TWO AGENDA ITEMS REGARDING THE SALE OF THE CERTIFICATES OF OBLIGATION FOR THE PURCHASE OF 120 EL CHICO.

BACKGROUND:

On April 3, 2023 the Council authorized staff to proceed with issuing certificates of obligation to purchase the building located at 120 El Chico. Currently, the City is leasing approximately 52% of the total square footage of the building. The remaining 48% is under private lease. Because, thru the purchase of the building, the City will be acquiring the additional leases and will honor those leases thru their term. As such, the City was required to issue TWO separate obligations—tax exempt and taxable obligations. This is why you have TWO agenda items on this one issue. The primary differences between the two are the tax exempt covers the 52% occupied by the City, and the taxable obligations covers the 48% of the privately occupied space. There is no material difference in the interest rate. Furthermore, both obligations have a 4 year call should the City choose to refinance at a lower rate. (Columns H, I, and J in the Hilltop Handout). **THIS IS THE STAFF RECOMMENDATION.**

The 2023 Certificate of Obligation is Tax Exempt. The suggested motion language is as follows:
I move to adopt the ordinance authorizing the issuance of the “City of Willow Park, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2023” and resolving other matters incident and relating thereto.

The 2023A Certificate of Obligation is Taxable. The suggested motion language is as follows:
I move to adopt the ordinance authorizing the issuance of the “City of Willow Park, Texas, Combination Tax and Revenue Certificates of Obligation, Taxable Series 2023A” and resolving other matters incident and relating thereto.

STAFF/BOARD/COMMISSION RECOMMENDATION:

EXHIBITS:

2023 Certificate of Obligation Ordinance (DRAFT)
2023A Certificate of Obligation (DRAFT)
Pay Schedule as provided by Erick Macha with Hilltop Securities

****NOTE:** These are Draft Ordinances. The only material change will be the final interest rate. We will have the FINAL Ordinances on May 23, 2023, prior to the Council meeting, after we have priced the Obligations.