



SERIES 2019 BOND ISSUANCE

JANUARY 8, 2019

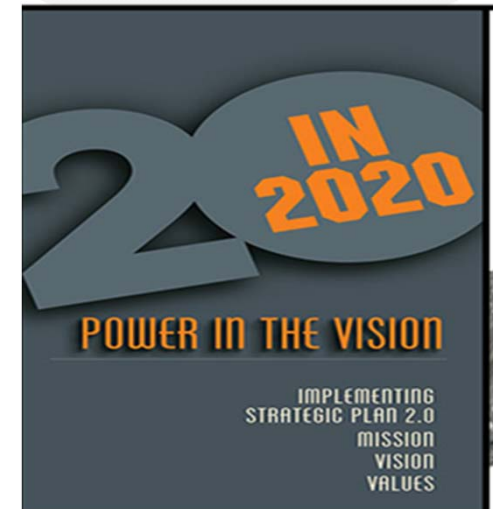
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2020 | POWER IN THE VISION

Strategic Plan Alignment

Goal 4 – Enhance El Paso's quality of life

Goal 6 – Set the standard for sound governance and fiscal management

Goal 7 – Enhance and sustain infrastructure



Requested Council Action

- Approve the following Ordinances:
 - AN ORDINANCE authorizing the issuance of "City of El Paso, Texas Combination Tax and Revenue Certificates of Obligation, Series 2019"
 - AN ORDINANCE authorizing the issuance of "City of El Paso, Texas, General Obligation Bonds, Series 2019" in one or more series

Requested Council Action

- In addition to new money for capital projects, the approval requested includes a refunding opportunity;
- Debt Management Policy states that the net present value savings of advance refunding is at least 3%
- 2009B Build America Bonds refunding opportunity
 - Refunding currently stands at saving approximately 5.003%, with a net present value savings of \$2,288,409
 - Refunding does not extend original length of payback period

Financing Team

- City of El Paso

Tommy Gonzalez – City Manager

Robert Cortinas – Chief Financial Officer

Pat Degman – Comptroller

Karla Nieman – City Attorney

- Hilltop Securities

George Williford – Managing Director

Maria Fernanda Urbina – Sr. Vice President

- Norton Rose Fulbright

Paul Braden – Bond Counsel

- Selected Underwriters

Citigroup – Lead

J.P. Morgan Securities

Ramirez & Co., Inc.

George K. Baum & Co.

Background

- Last debt issuance process occurred in May 2016
- The City has not issued all debt for the 2012 Street CIP and Quality of Life Bonds
- August 7, 2017 – City Council approved to expedite the timeframe on the 2012 Street CIP resurfacing projects
- August 22, 2017 - City Council amended the Debt Management Policy increasing maximum debt rate to 35 cents per \$100 valuation
- City Council has recently approved the 2017, 2018, and 2019 Capital Plans

Debt Issuance Process

- Notice of Intention to issue certificates of obligation
 - November 27, 2018 Council approves resolution to approve publication of notice of intention
 - Notices published in the El Paso Times on Nov. 29 and Dec. 6
 - Notice of Introduction and Public Hearing published in the El Paso Times Jan. 2
- Council acts on parameter Ordinances authorizing issuance of certificates of obligation and general obligation bonds

Approved Capital Project Plans

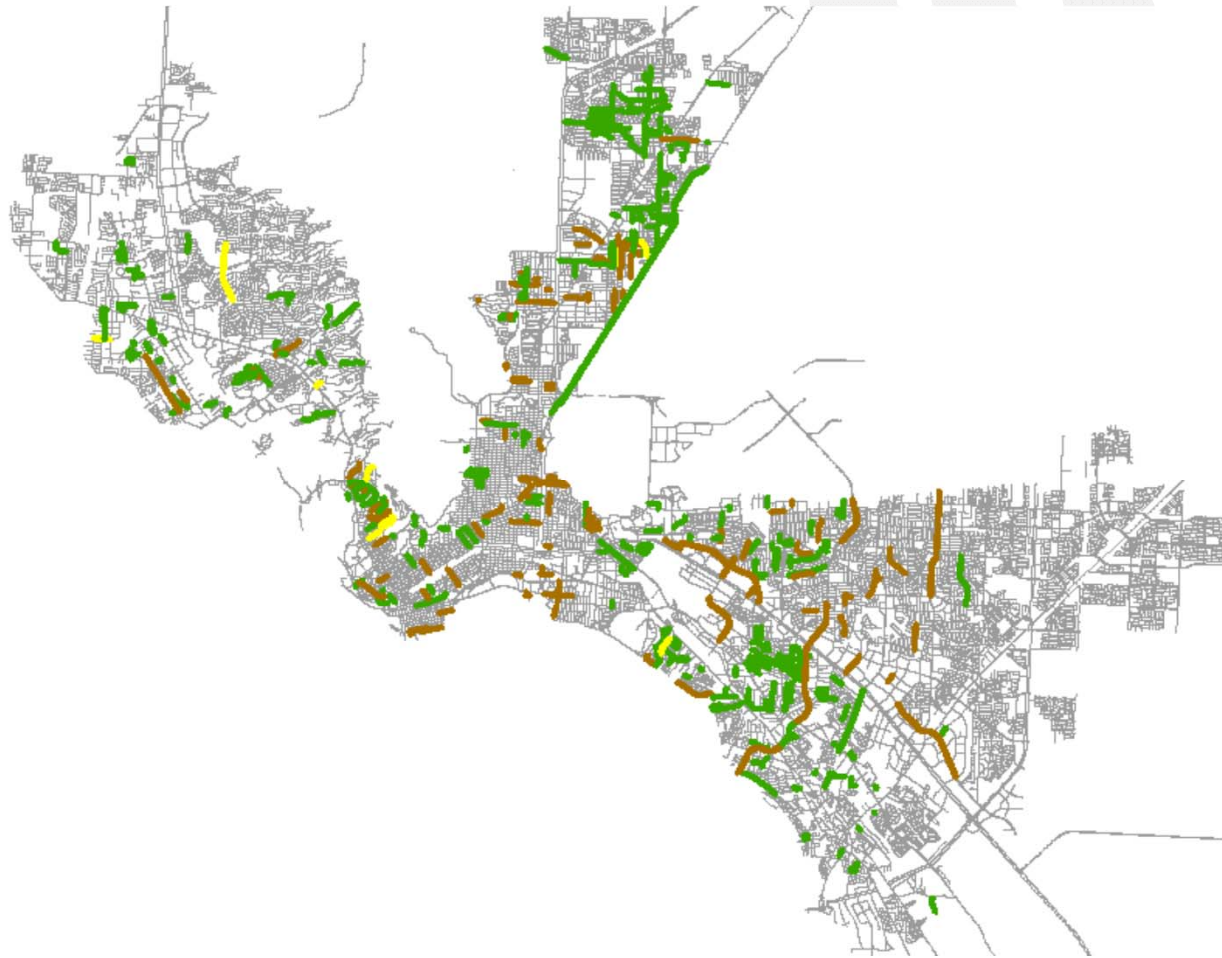
- June 12, 2012 – City Council approved Street CIP
- November 6, 2012 – Citizens approved Quality of Life Bonds
- August 21, 2017 – City Council approved 2017 Capital Plan
- December 18, 2017 – City Council approved 2018 Capital Plan
- April 30, 2018 – City Council approved 2019 Capital Plan
 - July 23, 2018 – amended to add Children's Museum
 - September 18, 2018 – amended to add Mexican American Cultural Center

2012 Streets CIP

Examples of Projects to be Funded

- Various street improvements including:
 - Resurfacing and microsurfacing of streets
 - Reconstruction of streets
 - Unpaved right of way/alleys
 - Street median and parkway landscaping
 - Sidewalk and parkway improvement

2012 Streets CIP Resurfacing Projects



Green – Completed
Yellow – In progress
Brown - Programmed

2012 Quality of Life

Major Projects to be Funded

- Eastside Regional Park
- Children's Museum
- Recreation centers (Alameda, Chamizal, Lomaland)
- Neighborhood Improvement projects
- Paved trails
- Chihuahuan Desert Zoo Exhibit

2012 Quality of Life

Major Projects to be Funded



Eastside Regional Park

2012 Quality of Life

Major Projects to be Funded



Children's Museum

2012 Quality of Life

Major Projects to be Funded



Alameda Recreation Center and Library Combo



Chamizal Recreation Center and Library Combo



Lomaland Recreation Center



Chihuahuan Desert Exhibit

2017 Capital Plan – Aug. 2017

Examples of Projects to be Funded

- Public safety vehicles and facility improvements
- City Match for MPO projects
- New signalized traffic intersections
- Eastside Regional Park, neighborhood water parks, Westside natatorium, and spray park amenities
- Cohen site improvements, downtown restrooms, and Northgate Metro 31 improvements

2018 Capital Plan – Dec. 2017

Examples of Projects to be Funded

- Street reconstruction on five critical roads
- City match for MPO projects
- Tom Lea park slope rehabilitation
- Downtown sidewalk and crosswalk repairs
- Information Technology infrastructure and hardware

2019 Capital Plan – Apr. 2018

Examples of Projects to be Funded

- Streets – top 25 arterial safety and improvements
- Wayfinding signage and Eastside Masterplan
- Cohen site improvements and Sun City Lights projects
- Neighborhood waterparks, park, and flat field improvements

Bond Issuance Status

(\$ in millions)

	2012 QoL	2012 Streets	2017 Plan	2018 Plan	2019 Plan
Amount Authorized	\$473.3	\$218.4	\$71.5	\$76.7	\$112.1
Amount Issued	\$249.0	\$103.5	\$0	\$0	\$0
Remaining to be Issued	\$224.3	\$114.9	\$71.5	\$76.7	\$112.1

Expenditures*	\$125.7	\$95.6	\$19.9	\$0.8	\$0.2
Encumbered*	\$62.3	\$48.1	\$11.7	\$3.1	\$1.4
Total Expended/Encumbered	\$188.0	\$143.7	\$31.6	\$3.9	\$1.6

*As of 12/17/18

Size of C.O. Issuance

(\$ in millions)

Date of Authorization	Description	Project Cost
June 2012	Street CIP	\$35.0
August 2017	2017 Capital Plan	\$30.0
December 2017	2018 Capital Plan	\$25.0
April 2018	2019 Capital Plan	\$10.0
Total		\$100.0

Size of G.O. Issuance

(\$ in millions)

Purpose	Project Amounts
Proposition 1: Parks Recreation, Open Space and Zoo	\$44.0
Proposition 2: Museum, Cultural, Performing Arts, and Library Facilities	\$17.3
Total	\$61.3

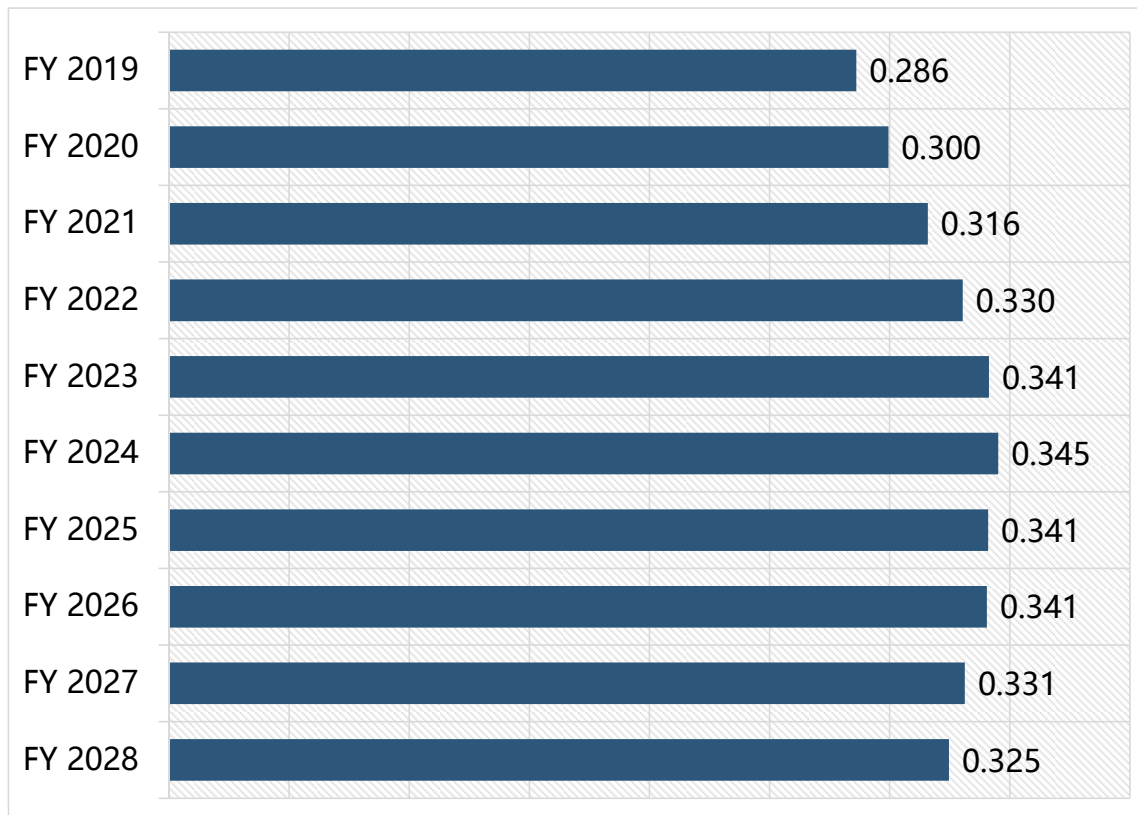
Bond Issuance Status

After 2019 Issuance (\$ in millions)

	2012 QoL	2012 Streets	2017 Plan	2018 Plan	2019 Plan	Total
Amount Authorized	\$473.3	\$218.4	\$71.5	\$76.7	\$112.1	
Amount Issued	\$310.3	\$138.5	\$25.0	\$30.0	\$10.0	
Remaining to be Issued	\$163.0	\$79.9	\$46.5	\$46.7	\$102.1	\$439.5

Projected Debt Service Tax Rate

Based on Planned Issuances (Cents per \$100 valuation)



- Projected debt service tax rates dependent upon several assumptions, including:
 - Property valuation growth
 - Size of debt issuance
 - Interest rates

Certificates of Obligation Parameters Resolution

- Parameter authorization will enable sale of certificates of obligation at optimum timing and structure within 6 month period
- Council delegates final pricing authority to Pricing Officer(s)
- Council will establish sale parameters in Ordinance
 - Aggregate original principal amount of all the Certificates issued [under the CO Ordinance] shall not exceed \$100,000,000;
 - Aggregate true interest cost rate for the Certificates shall not exceed 4.90%; and
 - Maximum maturity date for the Certificates shall not exceed August 15, 2044.
- Pricing Officer can only approve sale if Council parameters are met. (Pricing Officers will be City Manager and City Chief Finance Officer.)

General Obligation Bonds Parameters Resolution

- Parameter authorization will enable sale of general obligation bonds at optimum timing and structure within 6 month period
- Council delegates final pricing authority to Pricing Officer(s)
- Council will establish sale parameters in Ordinance
- Pricing Officer can only approve sale if Council parameters are met. (Pricing Officers will be City Manager and City Chief Finance Officer.)

General Obligation Bonds Parameters Resolution

- Aggregate original principal amount of the Series 2019A Bonds issued for new money purposes and/or any other series of Bonds issued for new money purposes (other than the Series 2019B Bonds) shall not exceed \$44,000,000;
- Aggregate original principal amount of the Series 2019B (Children's Museum 501(c)3) Bonds shall not exceed \$17,300,000;
- Aggregate original principal amount of any Bonds issued to refund the Refunded Bonds shall not exceed \$47,100,000; [This is for the Series 2009B BABs refunding.]
 - Refunding of the Refunded Bonds must produce present value debt service savings of at least three percent (3%), net of any issuer contribution;
- Aggregate true interest cost rate for each series of Bonds shall not exceed 4.90%;
- maximum maturity date for each series of Bonds issued for new money purposes shall not exceed August 15, 2044; and
- Maximum maturity date for any Bonds issued to refund the Refunded Bonds shall not exceed August 15, 2034 [current maturity of the Series 2009B BABs]

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Questions

Capital Plan	Council Approved	Description	Project Cost
2017	8/22/2017	Police Vehicle Replacement-2017 Capital	\$19,800,000
2017	8/22/2017	Fire Vehicle Replacement-2017 Capital	\$1,800,000
2017	8/22/2017	Non-Public Safety Veh Rep-2017 Capital	\$500,000
2017	8/22/2017	PD HQ Parking Garage Improvements	\$2,500,000
2017	8/22/2017	Fire station restroom improvements	\$500,000
2017	8/22/2017	Northgate TOD, Metro 31	\$1,000,000
2017	8/22/2017	San Jacinto - Downtown Restrooms	\$700,000
2017	8/22/2017	Cohen Development	\$950,000
2017	8/22/2017	MPO city match- 2017 Capital Plan	
2017	8/22/2017	Delta Dr. Overpass at UPRR (RR Xing)	\$1,121,660
2017	8/22/2017	Oregon Street Improvements	\$1,000,000
2017	8/22/2017	Edgemere Blvd. / Rich Beem Blvd Roundabout	\$518,075
2017	8/22/2017	UNIVERSITY PED & BICYCLE ENH	\$278,745
2017	8/22/2017	Zaragoza Poe Winn S&D Improve	\$3,079,834
2017	8/22/2017	Border West Expressway (TxDOT Project)	\$277,663
2017	8/22/2017	Paso Del Norte (PDN) POE Roundabout	\$38,529
2017	8/22/2017	Chamizal Neighborhood Pedestrian Enhancements Phase I	\$277,022
2017	8/22/2017	Bicycle Connectivity Infrastructure Improvements Phase I	\$48,472
2017	8/22/2017	Rio Del Norte Dr. Improvements	\$60,000
2017	8/22/2017	Relocation of IT fiber on Montana and I-10	\$1,000,000
2017	8/22/2017	Citywide Street PCI Study	\$800,000
2017	8/22/2017	Sun City Lights entryway projects	\$4,800,000
2017	8/22/2017	Resler & Northern Pass Traffic Signal	\$300,000
2017	8/22/2017	Pebble Hills & Rich Beem Traffic Signal	\$300,000
2017	8/22/2017	Kenworthy & Sun Valley Traffic Signal	\$300,000
2017	8/22/2017	Marcus Uribe & Sean Haggerty Trf Signal	\$300,000
2017	8/22/2017	Doniphan & Bird Traffic Signal	\$300,000
2017	8/22/2017	Pebble Hills & Sun Fire Traffic Signal	\$300,000
2017	8/22/2017	Resler & Nardo Goodman Traffic Signal	\$300,000
2017	8/22/2017	Doniphan & West Green Traffic Signal	\$300,000
2017	8/22/2017	Tierra Cortez & Tierra Este Traffic Signal	\$300,000
2017	8/22/2017	Northwestern & Helen of Troy Traffic Signal	\$300,000
2017	8/22/2017	Pellicano & Michaelangelo Traffic Signal	\$300,000
2017	8/22/2017	Alameda & Whittier Traffic Signal	\$300,000
2017	8/22/2017	Silver Springs & Shadow Mountain Traffic Signal	\$300,000
2017	8/22/2017	Zaragoza & John Hayes Traffic Signal	\$300,000
2017	8/22/2017	North Loop & Lafayette Traffic Signal	\$300,000
2017	8/22/2017	Schuster & El Paso Traffic Signal	\$300,000
2017	8/22/2017	Chelsea Pool - District 2 Regional Aquatic Facility	\$3,141,000
2017	8/22/2017	Lionel Forti Pool - District 7 Regional Aquatic Facility	\$3,383,000
2017	8/22/2017	Eastside Regional Aquatic Facility	\$3,576,000
2017	8/22/2017	Eastside Regional Park Swimming Pool	\$5,000,000
2017	8/22/2017	Eastside Regional Park	\$3,000,000
2017	8/22/2017	NE Aquatic Facilities- Design	\$900,000
2017	8/22/2017	Westside Aquatic Facilities- Design	\$900,000
2017	8/22/2017	Braden Aboud Spray Park - D7	\$162,500

Capital Plan	Council Approved	Description	Project Cost
2017	8/22/2017	Grandview Spray Park - PLD	\$162,500
2017	8/22/2017	Hidden Valley Spray Park - PLD	\$162,500
2017	8/22/2017	Marty Robbins Spray Park - D8	\$162,500
2017	8/22/2017	Sue Young Spray Park - PLD	\$162,500
2017	8/22/2017	Westside Comm Spray Park - D1	\$162,500
2017	8/22/2017	Pavo Real Pool	\$162,500
2017	8/22/2017	Salvador Rivas Jr.	\$162,500
2017	8/22/2017	Westside 50m Swimming pool	\$1,700,000
2018	12/18/2017	Aquatics District 4 - Waterpark construction	\$7,211,350
2018	12/18/2017	Aquatics District 1 - Waterpark construction	\$7,211,350
2018	12/19/2017	Eastside Sports Complex Phase 2	\$14,532,000
2018	12/18/2017	Tom Lea Park Slope Rehabilitation	\$9,626,160
2018	12/18/2017	MPO city match- 2018 Capital Plan	
2018	12/18/2017	Montana RTS Far East Transfer Center	\$3,881,841
2018	12/18/2017	Street median and parkway landscaping	\$2,583,229
2018	12/18/2017	Carolina Bridge Reallocation	(\$536,771)
2018	12/18/2017	Oregon Illumination	\$1,513,229
2018	12/18/2017	Central Business District Phase 4 - Design	\$328,906
2018	12/18/2017	Paso Del Norte (PDN) POE Roundabout	\$1,593,763
2018	12/18/2017	Chamizal Neighborhood Pedestrian Enhancements Phase I	\$72,164
2018	12/18/2017	Bicycle Connectivity Infrastructure Improvements Phase I	\$265,211
2018	12/18/2017	Montana RTS Pedestrian Enhancements	\$97,015
2018	12/18/2017	Bicycle Connectivity Infrastructure Improvements Phase II	\$74,788
2018	12/18/2017	Chamizal Neighborhood Pedestrian Enhancements Phase II	\$269,952
2018	12/18/2017	Franklin Canal at Davis St.	\$86,555
2018	12/18/2017	Delta St. at Playa Drain	\$111,865
2018	12/18/2017	Yarbrough at Playa Drain	\$473,877
2018	12/18/2017	Alabama at Drainage Ditch	\$116,392
2018	12/18/2017	Border West Expressway (TxDOT Project)	\$240,889
2018	12/18/2017	Sidewalks/Crosswalks (Downtown)	\$598,700
2018	12/18/2017	IT Projects	\$3,863,000
2018	12/18/2017	Reconstruction on 5 Critical Streets	
2018	12/18/2017	Reconstruction - Brian Ray	\$2,313,450
2018	12/18/2017	Reconstruction - Hawkins	\$9,261,000
2018	12/18/2017	Reconstruction - Railroad	\$13,502,000
2018	12/18/2017	Reconstruction - Schuster	\$7,530,182
2018	12/18/2017	Reconstruction - Ted Houghton	\$1,493,704
2019	4/30/2018	Top 25 Arterial Safety & Improvements	
2019	4/30/2018	Sunland Park	\$3,489,889
2019	4/30/2018	George Dieter	\$1,600,389
2019	4/30/2018	Lee Trevino	\$963,389
2019	4/30/2018	Shadow Mtn/Westwind	\$3,769,389
2019	4/30/2018	Resler	\$6,066,889
2019	4/30/2018	Yarbrough	\$6,226,839
2019	4/30/2018	Redd	\$2,931,389
2019	4/30/2018	Pellicano	\$5,169,689

Capital Plan	Council Approved	Description	Project Cost
2019	4/30/2018	Railroad	\$2,978,619
2019	4/30/2018	Pebble Hills	\$802,389
2019	4/30/2018	Hawkins	\$565,889
2019	4/30/2018	Airport	\$1,697,289
2019	4/30/2018	Viscount	\$2,127,389
2019	4/30/2018	Executive Center	\$1,185,889
2019	4/30/2018	Vista del Sol	\$5,271,889
2019	4/30/2018	Cotton	\$2,280,889
2019	4/30/2018	Edgemere	\$7,887,889
2019	4/30/2018	Hunter	\$1,419,889
2019	4/30/2018	McCombs	\$1,810,889
2019	4/30/2018	Trawood	\$2,283,389
2019	4/30/2018	Rojas	\$3,728,389
2019	4/30/2018	Cohen Site Readiness	\$2,451,400
2019	4/30/2018	Wayfinding	\$3,183,627
2019	4/30/2018	Lower Valley and 5 Points Sun City Lights	\$3,151,800
2019	4/30/2018	District 2 Water Park Improvements	\$721,000
2019	4/30/2018	Liz Morayma Gonzalez Park	\$1,273,080
2019	4/30/2018	Master Plan for Eastside	\$515,000
2019	4/30/2018	Alameda Rec Center Flat Field	\$1,454,360
2019	7/23/2018	Children's Museum	\$20,000,000
2019	9/18/2018	Mexican American Cultural Center	\$10,750,000