

**CITY OF EL PASO, TEXAS
REQUEST FOR COUNCIL ACTION (RCA)**

CITY CLERK DEPT.

08 DEC 10 AM 11:56

DEPARTMENT: Financial and Administrative Services

AGENDA DATE: December 10, 2008

CONTACT PERSON/PHONE: William F. Studer, Deputy City Manager, Financial and Administrative Services, 541-4011 and Carmen Arrieta-Candelaria, Chief Financial Officer, 541-4293

DISTRICT(S) AFFECTED: All

SUBJECT:

Discussion and action regarding a resolution approving and authorizing publication of notice of intention to issue certificates of obligation.

BACKGROUND / DISCUSSION:

The attached resolution authorizes publication of a notice in the newspaper of the City's intent to issue certificates of obligation at the City's January 27th City Council Meeting. The not-to-exceed par amount of the CO's proposed to be issued at such January 27th meeting is \$60 million. The proceeds from such CO's will only be used for the projects described in the attached resolution. These projects were previously approved by the City Council pursuant to a January 2006 authorization, the August 2006 Storm authorization and in connection with the improvements to the El Paso Convention and Performing Arts Center to be funded with hotel occupancy taxes (HOT project). The HOT project was originally intended to be financed with revenue bonds under an Ordinance adopted on August 26, 2008. Because of changing market conditions, those bonds were never issued and the authorization for those bonds has expired. Current market conditions make the issuance of revenue bonds not economically advantageous to the City. However, even though the HOT project will now be funded as part of this larger CO issuance, the HOT project will still be paid from hotel occupancy tax revenues.

PRIOR COUNCIL ACTION:

Council has approved such resolutions in the past related to the issuance of certificates of obligation.

AMOUNT AND SOURCE OF FUNDING:

The proceeds from these COs will fund remaining bond projects; repayment of the bonds will be accounted for in the debt service fund as appropriate. Sources of funding are property taxes and hotel occupancy tax revenues.

BOARD / COMMISSION ACTION:

N/A

*****REQUIRED AUTHORIZATION*****

LEGAL: (if required) _____ **FINANCE:** (if required) _____

DEPARTMENT HEAD: Carmen Arrieta-Candelaria
(Example: if RCA is initiated by Purchasing, client department should sign also)
Information copy to appropriate Deputy City Manager

APPROVED FOR AGENDA:

CITY MANAGER: _____

DATE: _____

08 DEC 10 AM 11:56

A RESOLUTION approving and authorizing publication of notice of intention to issue certificates of obligation.

CITY OF EL PASO

§

§

STATE OF TEXAS

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WHEREAS, the City Council of the City of El Paso, Texas, has determined that certificates of obligation should be issued under and pursuant to the provisions of V.T.C.A., Local Government Code, Subchapter C of Chapter 271, for the purpose of paying contractual obligations to be incurred for the construction of public works as specified below; and

WHEREAS, prior to the issuance of such certificates, the City Council is required to publish notice of its intention to issue the same in a newspaper of general circulation in the City, said notice stating (i) the time and place the City Council tentatively proposes to pass the ordinance authorizing the issuance of the certificates, (ii) the maximum amount proposed to be issued, (iii) the purposes for which the certificates are to be issued and (iv) the manner in which the City Council proposes to pay the certificates;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO, TEXAS:

SECTION 1: The City Clerk is hereby authorized and directed to cause notice to be published of the City Council's intention to issue certificates of obligation, in one or more series, in a principal amount not to exceed \$60,000,000 for the purpose of paying contractual obligations to be incurred for (i) the construction of public works, to wit: (a) constructing, resurfacing and improving various streets, roads, thoroughfares, sidewalks, pathways and related municipal facilities within the City, including lane markings, loop detectors and landscaping related thereto and the acquisition of necessary rights-of-way and land in connection therewith, (b) design, construction and installation of flood control, storm water, drainage improvements, ponding areas and related municipal facilities within the City, including the acquisition of rights-of-way, real property and any related demolition necessary in connection therewith, (c) acquiring, renovating, improving and equipping municipal facilities for departmental administration purposes, (d) improving, enlarging, equipping and repairing the El Paso Convention and Performing Arts Center, (e) the purchase of equipment, machinery, vehicles, materials and supplies for the storm water, police and street maintenance departments, and (f) acquisition, construction and improvement of municipally owned public art projects, and (ii) professional services rendered in connection therewith, such certificates to be payable from ad valorem taxes and a limited pledge of the net revenues of the City's water and sewer system. The notice hereby approved and authorized to be published shall read substantially in the form and content of Exhibit A hereto attached and incorporated herein by reference as a part of this resolution for all purposes.

SECTION 2: The City Clerk shall cause the aforesaid notice to be published in a newspaper of general circulation in the City, once a week for two consecutive weeks, the date of

the first publication to be at least thirty-one (31) days prior to the date stated therein for the passage of the ordinance authorizing the issuance of the certificates of obligation.

SECTION 3: It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by V.T.C.A., Government Code, Chapter 551, as amended.

SECTION 4: This Resolution shall be in force and effect from and after its passage on the date shown below.

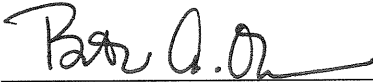
APPROVED AND ADOPTED this _____ day of December, 2008.

John F. Cook
Mayor, City of El Paso, Texas

ATTEST:


Richarda Duffy Momsen
City Clerk, City of El Paso, Texas

Approved as to Form:



Bertha A. Ontiveros
Assistant City Attorney
City of El Paso, Texas

Approved as to Content:



Carmen Arrieta-Candelaria
Chief Financial Officer
City of El Paso, Texas

(City Seal)

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CITY CLERK DEPT.

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EXHIBIT A

08 DEC 10 AM 11:56

NOTICE OF INTENTION TO ISSUE CITY OF
EL PASO, TEXAS, CERTIFICATES OF OBLIGATION

TAKE NOTICE the City Council of the City of El Paso, Texas, shall convene at 9:00 o'clock A.M. on the 27th day of January, 2009, at its regular meeting place on the second floor of the Municipal Building, 2 Civic Center Plaza, El Paso, Texas, and, during such meeting, the City Council will consider the passage of one or more ordinances authorizing the issuance of certificates of obligation in one or more series in a principal amount not to exceed \$60,000,000 for the purpose of paying contractual obligations to be incurred for (i) the construction of public works, to wit: (a) constructing, resurfacing and improving various streets, roads, thoroughfares, sidewalks, pathways and related municipal facilities within the City, including lane markings, loop detectors and landscaping related thereto and the acquisition of necessary rights-of-way and land in connection therewith, (b) design, construction and installation of flood control, storm water, drainage improvements, ponding areas and related municipal facilities within the City, including the acquisition of rights-of-way, real property and any related demolition necessary in connection therewith, (c) acquiring, renovating, improving and equipping municipal facilities for departmental administration purposes, (d) improving, enlarging, equipping and repairing the El Paso Convention and Performing Arts Center, (e) the purchase of equipment, machinery, vehicles, materials and supplies for the storm water, police and street maintenance departments, and (f) acquisition, construction and improvement of municipally owned public art projects, and (ii) professional services rendered in connection therewith, and such certificates are to be payable from ad valorem taxes and a limited pledge of the net revenues of the City's water and sewer system. The certificates are to be issued, and this notice is given, under and pursuant to the provisions of V.T.C.A., Local Government Code, Subchapter C of Chapter 271.

Richarda Duffy Momsen
City Clerk
City of El Paso, Texas