



AGENDA FOR THE EL PASO DOWNTOWN DEVELOPMENT CORPORATION

April 11, 2023

**COUNCIL CHAMBERS, CITY HALL, 300 N. CAMPBELL AND VIRTUALLY
9:05 AM**

Teleconference Phone Number: 1 (915) 213-4096

Toll Free Number: 1 (833) 664-9267

Conference ID: 317-185-560#

Notice is hereby given that a meeting of the Board of Directors of the City of El Paso Downtown Development Corporation will be held in Council Chambers and virtually at 9:05 a.m. on Tuesday, April 11, 2023 for the purpose of considering and taking action on all matters listed on the agenda

Members of the public may view the meeting via the following means:

Via the City's website. <http://www.elpasotexas.gov/videos>

Via television on City15,

YouTube: <https://www.youtube.com/user/cityofelpasotx/videos>

In compliance with the requirement that the City provide two-way communication for members of the public, members of the public may communicate with the Board of Directors regarding agenda items by calling the following number:

1-915-213-4096 or Toll Free Number: 1-833-664-9267

At the prompt please enter the Conference ID: 317-185-560#

The public is strongly encouraged to sign up to speak on items on this agenda before the start of this meeting on the following links:

To speak on Agenda Items:

<https://app.smartsheet.com/b/form/cc20aad8258146ab8f63761079bd1091>

A quorum of the Board of Directors must participate in the meeting.

AGENDA

1. Approval of the December 13, 2022 Meeting Minutes of the City of El Paso Downtown Development Corporation. [23-502](#)
City Clerk's Office, Laura D. Prine, (915) 212-0049

2. Discuss and approve a Resolution authorizing the issuance of the City of El Paso Downtown Development Corporation Special Revenue Refunding Bonds, Series 2023 (Downtown Ballpark Venue Project) to restructure debt service on certain of the Corporation's outstanding indebtedness; approving a Fourth Supplement to Trust Agreement and a Fourth Amendment to Master Lease Agreement; authorizing the execution of other documents and instruments necessary or convenient to carry out the issuance of such refunding bonds, including an Escrow Agreement; and resolving other matters incident and related thereto. [23-503](#)
City Manager's Office, Robert Cortinas, (915) 212-1067

3. Discuss and approve a Resolution authorizing the issuance of the City of El Paso Downtown Development Corporation Special Revenue Refunding Bonds, Series 2023A (Downtown Ballpark Venue Project) for debt service savings; approving a Fifth Supplement to Trust Agreement and a Fifth Amendment to Master Lease Agreement; authorizing the execution of other documents and instruments necessary or convenient to carry out the issuance of such refunding bonds; and resolving other matters incident and related thereto. [23-504](#)
City Manager's Office, Robert Cortinas, (915) 212-1067

EXECUTIVE SESSION

The Board Directors of the Corporation may retire into EXECUTIVE SESSION pursuant to Section 3.5A of the El Paso City Charter and the Texas Government Code, Chapter 551, Subchapter D, to discuss any of the following: (The items listed below are matters of the sort routinely discussed in Executive Session, but the Board may move to Executive Session any of the items on this agenda, consistent with the terms of the Open Meetings Act and the Rules of City Council.) The Board will return to open session to take any final action and may also, at any time during the meeting, bring forward any of the following items for public discussion, as appropriate.

Section 551.071	CONSULTATION WITH ATTORNEY
Section 551.072	DELIBERATION REGARDING REAL PROPERTY
Section 551.073	DELIBERATION REGARDING PROSPECTIVE GIFTS
Section 551.074	PERSONNEL MATTERS
Section 551.076	DELIBERATION REGARDING SECURITY DEVICES OR SECURITY AUDITS
Section 551.087	DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS
Section 551.089	DELIBERATION REGARDING SECURITY DEVICES OR SECURITY AUDITS; CLOSED MEETING

ADJOURN

NOTICE TO THE PUBLIC:

Sign Language Interpreters are provided for the meetings.

ALL AGENDAS ARE PLACED ON THE INTERNET ON THURSDAY PRIOR TO THE MEETING AT
THIS ADDRESS: <https://elpasotexas.legistar.com/Calendar.aspx>



El Paso, TX

300 N. Campbell
El Paso, TX

Legislation Text

File #: 23-502, Version: 1

CITY OF EL PASO, TEXAS LEGISTAR AGENDA ITEM SUMMARY FORM

DISTRICT, DEPARTMENT, CONTACT INFORMATION:

Please choose District and Department from drop down menu. Please post exactly as example below.

No Title's, No emails. Please use ARIAL 10 Font.

City Clerk's Office, Laura D. Prine, (915) 212-0049

AGENDA LANGUAGE:

This is the language that will be posted to the agenda. Please use ARIAL 11 Font.

Approval of the December 13, 2022 Meeting Minutes of the City of El Paso Downtown Development Corporation.

**MINUTES OF THE MEETING OF
CITY OF EL PASO DOWNTOWN DEVELOPMENT CORPORATION**

ON THIS, the 13th day of December 2022, the Board of Directors (the "Board") of the City of El Paso Downtown Development Corporation (the "Corporation") convened at 10:26 a.m. at City Hall, 300 N. Campbell, El Paso, Texas, Council Chambers and virtually, with the following members being present and in attendance:

Oscar Leeser	Chair
Peter Svarzbein	Director
Alexandra Annello	Director
Cassandra Hernandez	Director
Joe Molinar	Director
Isabel Salcido	Director
Claudia Rodriguez	Director
Henry Rivera	Director

constituting a majority of the persons appointed to the Board and a quorum for the transaction of business, such meeting being the initial meeting of the Board created under and pursuant to the provisions of Subchapter D of Chapter 431, as amended, Texas Transportation Code; and notice of such meeting is hereby waived.

Early Departure: Board Chair Leeser at 10:42 a.m.

Absent: Board Director Cissy Lizarraga.

The meeting was called to order by Chair Leeser.

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1. Approval of the February 14, 2022 Meeting Minutes of the City of El Paso Downtown Development Corporation.

Motion made by Board Director Rivera, seconded by Board Director Salcido, and unanimously carried to **APPROVE** the Minutes for the Meeting of the City of El Paso Downtown Development Corporation February 14, 2022.

AYES: Board Directors Svarzbein, Annello, Hernandez, Molinar, Salcido, Rodriguez and Rivera

NAYS: None

ABSENT: Board Director Lizarraga

Board Chair Leeser did not cast a vote.

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2. FY 2022 Report on the status of the Downtown Development Corporation and 5-Year Capital Improvement Plan.

Mr. Robert Cortinas, City of El Paso Chief Financial Officer, and Mr. Sam Rodriguez, Chief Operations Officer, presented a PowerPoint presentation (copy on file in the City Clerk's Office).

Mr. Tommy Gonzalez, City Manager, commented.

Board Chair Leeser and Directors Svarzbein, Hernandez, Molinar, Salcido, Rodriguez, and Rivera commented.

NO ACTION was taken on this item.

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Motion made by Board Director Svarzbein, seconded by Board Director Hernandez, that the

meeting **ADJOURN** at 11:00 a.m. Upon a vote being taken, the motion carried by a unanimous vote of all Directors present and the meeting was adjourned.

AYES: Board Directors Svarzbein, Hernandez, Molinar, Salcido, Rodriguez and Rivera

NAYS: None

NOT PRESENT FOR THE VOTE: Board Chair Leaser and Board Director Annello

ABSENT: Board Director Lizarraga

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MINUTES APPROVED this the ____ day of _____, 2023.

Laura D. Prine
Secretary
City of El Paso Downtown Development Corporation



Legislation Text

File #: 23-503, Version: 1

**CITY OF EL PASO, TEXAS
LEGISTAR AGENDA ITEM SUMMARY FORM**

DISTRICT, DEPARTMENT, CONTACT INFORMATION:

Please choose District and Department from drop down menu. Please post exactly as example below.

No Title's, No emails. Please use ARIAL 10 Font.

City Manager's Office, Robert Cortinas, (915) 212-1067

AGENDA LANGUAGE:

This is the language that will be posted to the agenda. Please use ARIAL 11 Font.

Discuss and approve a Resolution authorizing the issuance of the City of El Paso Downtown Development Corporation Special Revenue Refunding Bonds, Series 2023 (Downtown Ballpark Venue Project) to restructure debt service on certain of the Corporation's outstanding indebtedness; approving a Fourth Supplement to Trust Agreement and a Fourth Amendment to Master Lease Agreement; authorizing the execution of other documents and instruments necessary or convenient to carry out the issuance of such refunding bonds, including an Escrow Agreement; and resolving other matters incident and related thereto.

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

DEPARTMENT: City Manager's Office

AGENDA DATE: April 11, 2023

CONTACT PERSON NAME / PHONE NUMBER: Robert Cortinas, Chief Financial Officer (915)-212-1067

DISTRICT(S) AFFECTED: All

STRATEGIC GOALS: Goal 6: Set the Standard for Sound Governance and Fiscal Management

SUBJECT:

A RESOLUTION authorizing the issuance of the City of El Paso Downtown Development Corporation Special Revenue Refunding Bonds, Series 2023 (Downtown Ballpark Venue Project) to restructure debt service on certain of the Corporation's outstanding indebtedness; approving a Fourth Supplement to Trust Agreement and a Fourth Amendment to Master Lease Agreement; authorizing the execution of other documents and instruments necessary or convenient to carry out the issuance of such refunding bonds, including an Escrow Agreement; and resolving other matters incident and related thereto.

BACKGROUND / DISCUSSION:

As authorized by applicable law including Chapter 1207, each of the Executive Director and the Treasurer of the Corporation (each a "Pricing Officer") is hereby authorized to act on behalf of the Corporation in selling and delivering the Series 2023 Bonds and carrying out the other procedures specified in this Resolution, including, but not limited to, selecting whether all or part of the outstanding maturity of the Series 2013 Tax Exempt Bonds shall be refunded, determining the aggregate original principal amount of the Series 2023 Bonds, the date of the Series 2023 Bonds, any different designation or title by which the Series 2023 Bonds shall be known, the terms of any bond insurance applicable to the Series 2023 Bonds, the price at which the Series 2023 Bonds will be sold, the years in which the Series 2023 Bonds will mature, the principal amount of the Series 2023 Bonds to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment dates, the record date, the price and terms upon and at which the Series 2023 Bonds shall be subject to redemption prior to maturity at the option of the Corporation, as well as any mandatory sinking fund redemption or extraordinary optional redemption provisions, the designation of an escrow agent, if applicable, satisfying the requirements of Chapter 1207, the designation of one or more funds for the payment of the Series 2023 Bonds, and all other matters relating to the issuance, sale and delivery of the Series 2023 Bonds, all of which shall be specified in the final executed Fourth Supplement and an approval certificate (the "Approval Certificate") executed by the Pricing Officer, provided that:

- (a) the aggregate original principal amount of the Series 2023 Bonds shall not exceed \$5,700,000;
- (b) the aggregate true interest cost for the Series 2023 Bonds shall not exceed 5.25%;
- (c) the aggregate amount of payments to be made on the Series 2023 Bonds shall not exceed the aggregate amount of payments that would have been made on the refunded Series 2013 Tax Exempt Bonds had the refunding not occurred by more than \$2,860,000, net of any Corporation contribution; and
- (d) the maximum maturity date for the Series 2023 Bonds shall not exceed August 15, 2043.

PRIOR COUNCIL ACTION:

The City and the Corporation executed that First Amendment to Master Lease Agreement, dated as of May 1, 2016 in connection with the Corporation's issuance of the Series 2016 Bonds, a Second Amendment to Master Lease Agreement, dated as of July 17, 2020 in connection with the Corporation's issuance of the Series 2020 Bonds, and a Third Amendment to Master Lease Agreement, dated as of June 1, in connection with the Corporation's issuance of the Series 2021 Bonds

The City and the Corporation will execute a Fourth Amendment to Master Lease Agreement Relating to the City of El Paso, Texas Downtown Ballpark Venue Project Financing Between the City and the Corporation, dated as of June 1, 2023 in connection with the Corporation's issuance of the Series 2023 Bonds.

AMOUNT AND SOURCE OF FUNDING:

Debt service is primarily funded 2% venue project HOT and team revenues

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

DEPARTMENT HEAD: *Robert Cortinas*

(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

A RESOLUTION authorizing the issuance of the City of El Paso Downtown Development Corporation Special Revenue Refunding Bonds, Series 2023 (Downtown Ballpark Venue Project) to restructure debt service on certain of the Corporation's outstanding indebtedness; approving a Fourth Supplement to Trust Agreement and a Fourth Amendment to Master Lease Agreement; authorizing the execution of other documents and instruments necessary or convenient to carry out the issuance of such refunding bonds, including an Escrow Agreement; and resolving other matters incident and related thereto.

WHEREAS, the City of El Paso Downtown Development Corporation (the "**Corporation**") has been created and organized as a public, nonprofit local government corporation incorporated pursuant to Subchapter D of Chapter 431, Texas Transportation Code, as amended, to aid, assist and act on behalf of the City of El Paso, Texas (the "**City**") in the performance of the City's governmental functions; and

WHEREAS, pursuant to an election held in the City on November 6, 2012, the voters of the City authorized the City to provide for the planning, acquisition, establishment, development, construction and financing of a sports and community venue project within the City of the type described and defined in Section 334.001(4)(A) of and permitted by Chapter 334, Local Government Code, as amended (the "**Venue Project Act**"), and described in summary form as a multipurpose coliseum, stadium or other type of arena or facility that is planned for use for one or more professional or amateur sports events, including minor league baseball games and related infrastructure as defined in the Venue Project Act (the "**Project**"), and to impose a tax (the "**HOT**") on the occupancy of a room in hotels located within the City, at a maximum rate of two percent (2%) of the price paid for such room, as authorized by Subchapter H of the Venue Project Act; and

WHEREAS, the Corporation has previously issued its "City of El Paso Downtown Development Corporation Special Revenue Bonds, Series 2013A (Downtown Ballpark Venue Project)" (the "**Series 2013 Tax Exempt Bonds**") and the "City of El Paso Downtown Development Corporation Special Revenue Bonds, Taxable Series 2013B (Downtown Ballpark Venue Project)" (the "**Series 2013 Taxable Bonds**") pursuant to a Trust Agreement relating to the City of El Paso, Texas, Downtown Ballpark Venue Project Financing, dated as of August 1, 2013, as amended by a First Amendment to the Trust Agreement dated as of October 15, 2013 (collectively, as amended, the "**Original Trust Agreement**"), by and between the Corporation and Wells Fargo Bank, National Association, as trustee; and

WHEREAS, the Corporation and Wells Fargo Bank, National Association entered into a First Supplement to Trust Agreement Relating to the City of El Paso, Texas Downtown Ballpark Venue Project Financing, dated May 1, 2016 (the "**First Supplement**"), in connection with the Corporation's issuance of its "City of El Paso Downtown Development Corporation Special Revenue Refunding Bonds, Series 2016 (Downtown Ballpark Venue Project)" (the "**Series 2016 Bonds**"), a Second Supplement to Trust Agreement Relating to the City of El Paso, Texas Downtown Ballpark Venue Project Financing, dated July 17, 2020 (the "**Second Supplement**"), in connection with the Corporation's issuance of its "City of El Paso Downtown Development Corporation Special Revenue Refunding Bonds, Series 2020 (Downtown Ballpark Venue Project)" (the "**Series 2020 Bonds**"), and a Third Supplement to Trust Agreement Relating to the City of El Paso, Texas Downtown Ballpark Venue Project Financing, dated June 1, 2021 (the

“Third Supplement”), in connection with the Corporation’s issuance of its “City of El Paso Downtown Development Corporation Special Revenue Refunding Bonds, Taxable Series 2021 (Downtown Ballpark Venue Project)” (the **“Series 2021 Bonds”**); and

WHEREAS, the City and the Corporation executed that Master Lease Agreement Relating to the City of El Paso, Texas, Downtown Ballpark Venue Project Financing, dated as of August 1, 2013, between the City and the Corporation (the **“Master Lease Agreement”**), pursuant to which the City leased the Project to the Corporation and the Corporation subleased the Project back to the City; and

WHEREAS, the City and the Corporation executed that First Amendment to Master Lease Agreement, dated as of May 1, 2016 (the **“First Lease Amendment”**), in connection with the Corporation’s issuance of the Series 2016 Bonds, a Second Amendment to Master Lease Agreement, dated as of July 17, 2020 (the **“Second Lease Amendment”**) in connection with the Corporation’s issuance of the Series 2020 Bonds, and a Third Amendment to Master Lease Agreement, dated as of June 1, 2021 (the **“Third Lease Amendment”**) in connection with the Corporation’s issuance of the Series 2021 Bonds; and

WHEREAS, under the Master Lease Agreement, First Lease Amendment, Second Lease Amendment, and Third Lease Amendment, the City pays to the Corporation lease payments (the **“Lease Payments”**) at such times and in such amounts as will be sufficient to pay debt service on the Outstanding Parity Bonds, such Lease Payments to be primarily funded from the HOT; and

WHEREAS, Chapter 1207 of the Texas Government Code, as amended (**“Chapter 1207”**), authorizes the Corporation to issue refunding bonds and deposit the proceeds of the sale directly with any place of payment for the refunded bonds, or other authorized depository, and such deposit, when made in accordance with such statute, shall constitute firm banking and financial arrangements for the discharge and final payment of such refunded bonds; and

WHEREAS, the refunding of the Series 2013 Tax Exempt Bonds is intended to restructure the debt service on such bonds, and as a result, the aggregate amount of payments to be made on the refunding bonds to be issued hereunder will exceed the aggregate amount of payments that would have been made under the terms of the Series 2013 Tax Exempt Bonds which are being refunded, with the maximum amount of such gross debt service loss not exceeding the amount specified in Section 5(c) hereof; and

WHEREAS, the Board of Directors of the Corporation (the **“Board”**) hereby finds and determines that it is in the best interest of the Corporation to issue its “City of El Paso Downtown Development Corporation Special Revenue Refunding Bonds, Series 2023 (Downtown Ballpark Venue Project)” (the **“Series 2023 Bonds”**) to restructure the debt service on the outstanding Series 2013 Tax Exempt Bonds, notwithstanding the fact that the aggregate amount of payments to be made under the Series 2023 Bonds will exceed the aggregate amount of payments that would have been made under the terms of the Series 2013 Tax Exempt Bonds which are being refunded; and

WHEREAS, the Series 2023 Bonds will be issued pursuant to the terms of a Fourth Supplement To Trust Agreement Relating to the City of El Paso, Texas Downtown Ballpark Venue Project Financing Between Computershare Trust Company, N.A. (as successor to Wells Fargo Bank, National Association, the **“Trustee”**) and the Corporation (the **“Fourth Supplement”**), substantially in the form of attached Exhibit A which is hereby incorporated by reference; and

WHEREAS, the Series 2013 Taxable Bonds shall not be affected by the proposed refunding and shall remain outstanding under the Original Trust Agreement; and

WHEREAS, the Master Lease Agreement will have to be amended pursuant to a Fourth Amendment to Master Lease Agreement Relating to the City of El Paso, Texas Downtown Ballpark Venue Project Financing Between the City and the Corporation (the "***Fourth Lease Amendment***"), substantially in the form of attached Exhibit B which is hereby incorporated by reference, to reflect the issuance of the Series 2023 Bonds and defeasance of the Series 2013 Tax Exempt Bonds; and

WHEREAS, by City Ordinance adopted on the date hereof, the City Council of the City authorized and approved the issuance of the Series 2023 Bonds by the Corporation and the execution of the Fourth Lease Amendment and;

WHEREAS, there have been presented to the Board forms of each of the following documents:

1. the Fourth Supplement;
2. the Fourth Lease Amendment;
3. the Escrow Agreement between the Corporation and Computershare Trust Company, N.A., as escrow agent (the "***Escrow Agreement***"), substantially in the form of attached Exhibit C which is hereby incorporated by reference; the Escrow Agreement, the Fourth Supplement and the Fourth Lease Amendment are collectively referred to herein as the "***Transaction Documents***"; and

WHEREAS, the Board shall by this Resolution, in accordance with the provisions of Chapter 1207, delegate to a Pricing Officer (hereinafter designated) the authority to determine the principal amount of Series 2023 Bonds to be issued, negotiate the terms of sale thereof and approve all final terms of the Series 2023 Bonds and to select whether all or part of the outstanding maturity of the Series 2013 Tax Exempt Bonds shall be refunded;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY OF EL PASO DOWNTOWN DEVELOPMENT CORPORATION THAT:

SECTION 1: Transaction Documents. The Board hereby finds the form and substance of the Transaction Documents to be satisfactory and proper and hereby determines to proceed with the issuance and sale of the Series 2023 Bonds, the execution of the Transaction Documents (to the extent necessary by the terms thereof) and the taking of such other actions as may be necessary and appropriate in connection therewith. The issuance of the Series 2023 Bonds is found to be in the best interest of the Corporation.

SECTION 2: Approval of Fourth Supplement. The Board hereby approves the Fourth Supplement in substantially the form and substance presented to the Board, as further modified and finalized in accordance with Section 5 hereof, and the Chair or Vice Chair of the Board or the Executive Director or Treasurer of the Corporation is hereby authorized and directed, for and on behalf of the Corporation, to execute and deliver the Fourth Supplement and the Secretary, Treasurer or any other officer of the Corporation is hereby authorized to attest the Fourth

Supplement on behalf of the Corporation. Upon execution by the parties thereto and delivery thereof, the Fourth Supplement shall be binding upon the Corporation in accordance with the terms and provisions thereof. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Fourth Supplement.

SECTION 3: Approval of Fourth Lease Amendment. The Board hereby approves the Fourth Lease Amendment in substantially the form and substance presented to the Board, as further modified and finalized to take into account the pricing delegation set forth in Section 5 hereof, and the Chair or Vice Chair of the Board or the Executive Director or Treasurer of the Corporation is hereby authorized and directed, for and on behalf of the Corporation, to execute and deliver the Fourth Lease Amendment and the Secretary, Treasurer or any other officer of the Corporation is hereby authorized to attest to the Fourth Lease Amendment on behalf of the Corporation. Upon execution by the parties thereto and delivery thereof, the Fourth Lease Amendment shall be binding upon the Corporation in accordance with the terms and provisions thereof.

SECTION 4: Approval of Escrow Agreement. The Board hereby approves the Escrow Agreement in substantially the form and substance presented to the Board, as further modified and finalized to take into account the pricing delegation set forth in Section 5 hereof, and the Chair or Vice Chair of the Board or the Executive Director or Treasurer of the Corporation is hereby authorized and directed, for and on behalf of the Corporation, to execute and deliver the Escrow Agreement and the Secretary or the Treasurer of the Corporation is hereby authorized to attest to the Escrow Agreement on behalf of the Corporation. Upon execution by the parties thereto and delivery thereof, the Escrow Agreement shall be binding upon the Corporation in accordance with the terms and provisions thereof.

SECTION 5: Delegation of Authority to Pricing Officer. As authorized by applicable law including Chapter 1207, each of the Executive Director and the Treasurer of the Corporation (each a "**Pricing Officer**") is hereby authorized to act on behalf of the Corporation in selling and delivering the Series 2023 Bonds and carrying out the other procedures specified in this Resolution, including, but not limited to, selecting whether all or part of the outstanding maturity of the Series 2013 Tax Exempt Bonds shall be refunded, determining the aggregate original principal amount of the Series 2023 Bonds, the date of the Series 2023 Bonds, any different designation or title by which the Series 2023 Bonds shall be known, the terms of any bond insurance applicable to the Series 2023 Bonds, the price at which the Series 2023 Bonds will be sold, the years in which the Series 2023 Bonds will mature, the principal amount of the Series 2023 Bonds to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment dates, the record date, the price and terms upon and at which the Series 2023 Bonds shall be subject to redemption prior to maturity at the option of the Corporation, as well as any mandatory sinking fund redemption or extraordinary optional redemption provisions, the designation of an escrow agent, if applicable, satisfying the requirements of Chapter 1207, the designation of one or more funds for the payment of the Series 2023 Bonds, and all other matters relating to the issuance, sale and delivery of the Series 2023 Bonds, all of which shall be specified in the final executed Fourth Supplement and an approval certificate (the "**Approval Certificate**") executed by the Pricing Officer, provided that:

(a) the aggregate original principal amount of the Series 2023 Bonds shall not exceed \$5,750,000;

(b) the aggregate true interest cost for the Series 2023 Bonds shall not exceed 5.25%;

(c) the aggregate amount of payments to be made on the Series 2023 Bonds shall not exceed the aggregate amount of payments that would have been made on the refunded Series 2013 Tax Exempt Bonds had the refunding not occurred by more than \$3,950,000, net of any Corporation contribution; and

(d) the maximum maturity date for the Series 2023 Bonds shall not exceed August 15, 2043.

In establishing the aggregate principal amount of the Series 2023 Bonds, the Pricing Officer shall establish an amount not exceeding the amount authorized in Subsection (a) above, which shall be sufficient in amount to provide for the purposes for which the Series 2023 Bonds are authorized and to pay the costs of issuing the Series 2023 Bonds. Unless otherwise extended by an act of the Board, the delegation made hereby shall expire if not exercised by the Pricing Officer on or prior to 180 days after the adoption of this Resolution. The Series 2023 Bonds shall be sold by negotiated sale to the Purchasers (defined below), at such price(s) and with and subject to such terms as set forth in the Fourth Supplement and/or the Purchase Contract (defined below). The execution of the Purchase Contract shall evidence the sale date of the Series 2023 Bonds by the Corporation to the Purchasers.

If the Pricing Officer determines that bond insurance results in a net reduction of the Corporation's interest costs associated with the Series 2023 Bonds, then the Pricing Officer is authorized, in connection with effecting the sale of the Series 2023 Bonds, to obtain from a municipal bond insurance company (the "*Insurer*") a municipal bond insurance policy in support of the Series 2023 Bonds. To that end, should the Pricing Officer exercise such authority and commit the Corporation to obtain a municipal bond insurance policy, for so long as such policy is in effect, the requirements of the Insurer relating to the issuance of such policy or policies are incorporated by reference into this Resolution and made a part hereof for all purposes, notwithstanding any other provision of this Resolution to the contrary.

SECTION 6: Execution - Registration. The Board hereby approves the Series 2023 Bonds in substantially the forms and substance set forth in the Fourth Supplement as presented to the Board, and the Chair or Vice Chair of the Board and the Secretary or the Treasurer of the Corporation are hereby authorized and directed, for and on behalf of the Corporation, to execute the Series 2023 Bonds or have their facsimile signatures placed upon the Series 2023 Bonds, and such officers are hereby authorized and directed to deliver the Series 2023 Bonds in accordance with their terms. Series 2023 Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the Corporation on the date of execution of the Fourth Supplement shall be deemed to be duly executed on behalf of the Corporation, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Series 2023 Bonds to the Purchasers and with respect to Series 2023 Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in Chapter 1201, Texas Government Code, as amended.

SECTION 7: Trustee. Computershare Trust Company, N.A., Dallas, Texas is hereby appointed and confirmed as Trustee and paying agent under the terms of the Fourth Supplement. If such bank shall be unable or unwilling to serve in one or more of such capacities, the Pricing Officer, Chair or Vice Chair of the Board is hereby authorized and directed to designate a commercial bank or other legally authorized entity to serve as Trustee and paying agent in the manner and to the extent described in the Fourth Supplement.

SECTION 8: Sale of Series 2023 Bonds - Official Statement Approval. The Series 2023 Bonds are to be sold by the Corporation to the purchasers named in the Approval Certificate, as the underwriters of the Series 2023 Bonds (collectively, the “**Purchasers**”) in accordance with a bond purchase agreement (the “**Purchase Contract**”), the terms and provisions of which Purchase Contract are to be determined by the Pricing Officer in accordance with Section 5 hereof. The Pricing Officer is hereby authorized and directed to execute the Purchase Contract for and on behalf of the Corporation and as the act and deed of the Board.

The Chair and Vice Chair of the Board and the Executive Director, Secretary and/or Treasurer of the Corporation are hereby severally authorized, directed and empowered to prepare, amend, supplement and approve a preliminary official statement for the Series 2023 Bonds (the “**Preliminary Official Statement**”) and a final official statement for the Series 2023 Bonds (the “**Official Statement**”) for use in the proposed offering of such Series 2023 Bonds. The Board hereby authorizes and approves the use and distribution of the Preliminary Official Statement and the Official Statement (that have been approved in accordance with the previous sentence) in the offering of the Series 2023 Bonds and the Pricing Officer is hereby authorized to deem such Preliminary Official Statement “final” for purpose of the Rule on behalf of the Corporation.

SECTION 9: Execution of Tax Certifications. The Chair and Vice Chair of the Board, and the Executive Director, Treasurer, Secretary or any other officer of the Corporation, are each authorized to execute such documents, certificates and receipts, and to make such elections with respect to the tax-exempt status of the Series 2023 Bonds, as they may deem appropriate in order to consummate the delivery of the Series 2023 Bonds in accordance with the provisions and terms of this Resolution and the Fourth Supplement.

SECTION 10: Bond Counsel Opinion. The obligation of the Purchasers to accept delivery of the Series 2023 Bonds is subject to the Purchasers being furnished with the final, approving opinion of Norton Rose Fulbright US LLP, Bond Counsel for the Corporation, which opinion shall be dated and delivered the Closing Date. The engagement of such firm as Bond Counsel to the Corporation in connection with the Tender Offer and the issuance of its Series 2023 Bonds is hereby approved and confirmed.

SECTION 11: Further Procedures. Each of the Chair, Vice Chair, Executive Director, Treasurer, Assistant Treasurer, Secretary and Assistant Secretary of the Corporation is, individually and collectively, authorized and directed to take all action necessary or reasonably required to effectuate the issuance of the Series 2023 Bonds and for carrying out, giving effect to, and consummating the transactions described in the Series 2023 Bonds, this Resolution, the Transaction Documents, and any other instruments authorized by this Resolution or required to effect the transaction contemplated hereby, including without limitation, the execution and delivery of any closing documents and other certificates and documents in addition to those

specifically referenced herein that are required in connection with the issuance of the Series 2023 Bonds.

Furthermore, prior to the initial delivery of the Series 2023 Bonds, any of the Chair, Vice Chair, Executive Director, Treasurer or Bond Counsel to the Corporation are each hereby authorized and directed to approve any changes or corrections to this Resolution or to any of the documents authorized and approved by this Resolution: (i) in order to cure any ambiguity, formal defect, or omission in the Resolution or such other document; (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Series 2023 Bonds by the Attorney General; (iii) as requested by any of the national bond rating agencies to obtain a rating or ratings on the Series 2023 Bonds; or (iv) to accomplish the issuance and delivery of the Series 2023 Bonds and Tender Offer and if such officer or counsel determines that such changes are consistent with the intent and purpose of the Resolution, which determination shall be final. In the event that any officer of the Corporation whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Additionally, the Chair, Vice Chair, Executive Director, Treasurer, Assistant Treasurer, Secretary or Assistant Secretary of the Corporation may execute, authenticate, certify, or endorse or authorize to be executed, authenticated, certified, or endorsed with such officer's facsimile signature instead of the officer's manual signature any written agreement, including a contract, purchase order or surety bond, and any related document, including an application, certificate, or approval. For purposes of this Resolution, "facsimile signature" means a reproduction of the manual signature of an authorized officer that is made by any method.

SECTION 12: Incorporation of Findings and Determinations. The findings and determinations of the Board contained in the preamble hereof are hereby incorporated by reference and made a part of this Resolution for all purposes as if the same were restated in full in this Section.

SECTION 13: Corporate Officers. As set forth in the Original Trust Agreement, the Executive Director of the Corporation shall at all times be the person serving as the City Manager of the City; the Treasurer of the Corporation shall at all times be the person serving in the capacity of the Chief Financial Officer of the City; and the Secretary of the Corporation shall at all times be the person serving as the City Clerk of the City. The City's Comptroller is hereby confirmed as the Assistant Treasurer of the Corporation and any Alternate City Clerk is hereby confirmed as an Assistant Secretary of the Corporation.

SECTION 14: Severability. If any section, paragraph, clause, or provision of the Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution. In case any obligation of the Corporation authorized or established by this Resolution or the Series 2023 Bonds is held to be in violation of law as applied to any person or in any circumstance, such obligation shall be deemed to be the obligation of the Corporation to the fullest extent permitted by law.

SECTION 15: Public Meeting. 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 Texas Government Code, Chapter 551, as amended.

SECTION 16: Effective Date. This Resolution shall be in force and effect from and after its passage on the date shown below.

[Remainder of page left blank intentionally.]

APPROVED AND ADOPTED this 11th day of April, 2023.

Oscar Leeser
Chair, Board of Directors
City of El Paso
Downtown Development Corporation

ATTEST:


Laura D. Prine
Secretary, City of El Paso
Downtown Development Corporation

Approved as to Form:



Karla Nieman
City Attorney
City of El Paso, Texas

Approved as to Content:



Robert Cortinas
Treasurer, City of El Paso
Downtown Development Corporation

Approved as to Form:



Paul A. Braden
Bond Counsel

Exhibit A
Fourth Supplement

Exhibit B

Fourth Lease Amendment

Exhibit C
Escrow Agreement

City of El Paso Downtown Development Corporation

Special Revenue Refunding Bonds, Series 2023

Special Revenue Refunding Bonds, Series 2023A
.....

April 11, 2023



El Paso Downtown Development Corporation (Downtown Ballpark Venue Project)

Special Revenue Refunding Bonds, Series 2023

- City of El Paso Downtown Development Corporation seeks to authorize the issuance of Special Revenue Refunding Bonds, Series 2023 (Downtown Ballpark Venue Project) to restructure debt service on certain Corporation's debt (Series 2013A).

Special Revenue Refunding Bonds, Series 2023A

- City of El Paso Downtown Development Corporation seeks to authorize the issuance of Special Revenue Refunding Bonds, Series 2023A (Downtown Ballpark Venue Project) for debt service savings.



Special Revenue Refunding Bonds, Series 2023

- ❑ City of El Paso Downtown Development Corporation seeks to authorize the issuance of Special Revenue Refunding Bonds, Series 2023 (Downtown Ballpark Venue Project) to restructure debt service on certain Corporation's debt (Series 2013A)
 - Municipal bonds are typically issued long-term for 20-30 years, with set coupons, and a call feature that allows the issuer to call bonds if needed. Bonds can be called to restructure existing debt payments, bond covenants, or to reduce overall debt payments.
 - The purpose of the Special Revenue Refunding Bonds, Series 2023 will be to restructure Series 2013A's non-callable maturity due on 8/15/2023.
 - In August of 2013, the Corporation issued Special Revenue Bonds to finance the construction of the Downtown Ballpark Venue Project. Due to increased market volatility at the time of issuance of bonds, the structure of the Series 2013A bonds factored a non-callable maturity of \$5,170,000 due on August 15, 2023.



Special Revenue Refunding Bonds, Series 2023

- ❑ City of El Paso Downtown Development Corporation seeks to authorize the issuance of Special Revenue Refunding Bonds, Series 2023 (Downtown Ballpark Venue Project) to restructure debt service on certain Corporation's debt (Series 2013A)
 - Since the issuance of the 2013A bonds, it has been the intent of the Corporation to restructure the total principal due August 15, 2023, plus any accrued interest prior to maturity. With the issuance of Series 2023, the Corporation plans to restructure the debt over the next 20 years.
 - Over the last 10 years, the Corporation has actively taken advantage of any refunding opportunities for debt service savings. Along with the issuance of Series 2023 Bonds to restructure existing debt, the Corporation will seek another opportunity to capture debt service savings by refunding Taxable Bond Series 2021 through a bond tender offer.
 - To-date the Corporation has saved \$11.9 million in gross debt service from bond refunding activities. *In 2016 and 2021, the Corporation's refunding bonds resulted in gross debt service payments of \$4.0 million and \$7.9 million, respectively.*

Summary of Restructuring Results



Special Revenue Refunding Bonds, Series 2023

Summary

- Parameter authorization will provide flexibility to refund Series 2013A bonds prior to maturity.
- Key Assumptions
 - Assumed True Interest Cost: 4.15%
 - Estimate of Additional Debt Service with Maturity on 8/15/2043: \$2.73 million

Debt Service Comparison

FYE 8/31	RESTRUCTURING City of El Paso Downtown Dev Corp Special Revenue Bonds Series 2013A			FYE 8/31
	Prior 2013A DDC Debt Service ⁽¹⁾	New Debt Service ⁽²⁾	Annual Savings	
2023	\$ 5,331,563	\$ 42,094	\$ 5,289,468	2023
2024	-	399,419	(399,419)	2024
2025	-	401,669	(401,669)	2025
2026	-	398,419	(398,419)	2026
2027	-	399,919	(399,919)	2027
2028	-	400,919	(400,919)	2028
2029	-	401,419	(401,419)	2029
2030	-	401,419	(401,419)	2030
2031	-	400,919	(400,919)	2031
2032	-	399,919	(399,919)	2032
2033	-	403,419	(403,419)	2033
2034	-	401,169	(401,169)	2034
2035	-	398,419	(398,419)	2035
2036	-	400,169	(400,169)	2036
2037	-	401,169	(401,169)	2037
2038	-	401,419	(401,419)	2038
2039	-	400,919	(400,919)	2039
2040	-	402,106	(402,106)	2040
2041	-	402,656	(402,656)	2041
2042	-	402,569	(402,569)	2042
2043	-	401,844	(401,844)	2043
	<u>\$ 5,331,563</u>	<u>\$ 8,061,970</u>	<u>\$ (2,730,407)</u>	

(1) The Series 2013A EPDDC has \$5,170,000 currently outstanding and is due on August 15, 2023. Restructuring the debt would extend the maturity to August 15, 2043.

(2) New debt service is based on current market rates as of March 10, 2023.



Special Revenue Refunding Bonds, Series 2023A

- ❑ City of El Paso Downtown Development Corporation seeks to authorize the issuance of Special Revenue Refunding Bonds, Series 2023A (Downtown Ballpark Venue Project) for debt service savings.
 - Refunding/refinancing bonds for savings: Replace existing debt service payments by paying off an “Existing” bond with a “New” bond that produces LOWER overall debt service payments to an issuer. Similar to refinancing a home with lower interest rates.
 - In today’s market, traditional refundings/refinancings are difficult to execute due to rising interest rates over the last year. Traditional refunding/refinancing captures savings by capitalizing on the difference between the coupon of the refunded bonds and the yield of the refunding bonds.



Special Revenue Refunding Bonds, Series 2023A

- ❑ City of El Paso Downtown Development Corporation seeks to authorize the issuance of Special Revenue Refunding Bonds, Series 2023A (Downtown Ballpark Venue Project) for debt service savings.
 - However, a refunding/refinancing might be available to the City by refunding existing taxable refunding bonds back to tax-exempt debt through a Bond Tender Offer.
 - What is a Bond Tender Offer?
 - A bond tender offer is a process where an offer is made to existing bondholders to repurchase a specified number of bonds at a particular price and a specified time. *Bondholders have a right to accept or reject any offers.*
 - Tender offer notices are publicly posted for a period of time and will allow the financing team to confirm bondholder's willingness to sell back their bonds.
 - A tender for taxable bonds generates savings based on the current spread between tax-exempt and taxable yields (not the coupons).
 - The City could borrow at lower "tax-exempt" yields and purchase back outstanding "taxable" yields, thus reducing the overall cost of debt.

Summary of Refunding Results



Special Revenue Refunding Bonds, Series 2023A

Summary

- Parameter authorization will provide flexibility to refund all eligible bonds currently outstanding.
- However, in recent transactions, issuers have seen 20-35% success rate of bonds tendered.
- Key Assumptions
 - Assumed True Interest Cost: 3.76%
 - Assumed Tender Success Rate: 30%
 - Potential Gross Savings: \$1.29 million
 - Potential Net Present Value (%): 11.53%

Savings Comparison

TENDER OFFER				
City of El Paso Downtown Dev Corp				
Special Revenue Refunding Bonds				
Taxable Series 2021				
FYE	Prior 2021 DDC	New	Annual	FYE
8/31	Debt Service ⁽¹⁾	Debt Service ⁽²⁾	Savings	8/31
2023	\$ 93,391	\$ 49,428	\$ 43,963	2023
2024	356,781	287,000	69,781	2024
2025	355,625	287,000	68,625	2025
2026	358,976	287,000	71,976	2026
2027	356,824	287,000	69,824	2027
2028	779,094	692,000	87,094	2028
2029	778,414	691,750	86,664	2029
2030	781,336	695,500	85,836	2030
2031	778,148	693,000	85,148	2031
2032	779,115	694,500	84,615	2032
2033	779,100	689,750	89,350	2033
2034	778,073	689,000	89,073	2034
2035	775,869	687,000	88,869	2035
2036	777,591	688,750	88,841	2036
2037	778,071	689,000	89,071	2037
2038	777,197	687,750	89,447	2038
2039				2039
	\$ 10,083,601	\$ 8,795,428	\$ 1,288,173	
Average Annual Savings (2024-2043)			\$82,947	
2021 Tender Success Rate			30%	
2021 Tender Par Amount			\$8,055,000	
Tender PV Savings Rate (%)			11.53%	

(1) Tender Prices are estimated as of March 10, 2023. Includes a tender premium of 2.0% based on average secondary market pricing.

(2) New debt service is based on current market rates as of March 10, 2023.

Combined Summary of Refunding Results



Special Revenue Refunding Bonds, Series 2023 & Series 2023A

***Preliminary and subject to change due to market conditions at the time of pricing.**

FYE 8/31	TENDER OFFER City of El Paso Downtown Dev Corp Special Revenue Refunding Bonds (Refunded Taxable Series 2021)			RESTRUCTURING City of El Paso Downtown Dev Corp Special Revenue Bonds (Restructured a Portion of Series 2013A)			NET AGGREGATE SAVINGS Combining the Tender Offer & Restructuring Assumes Closing in June 2023			FYE 8/31
	Prior 2021 DDC Debt Service ⁽¹⁾	New Debt Service ⁽²⁾	Annual Savings	Prior 2013A DDC Debt Service ⁽³⁾	New Debt Service ⁽²⁾	Annual Savings	2021 DDC Savings	2013A DDC Dis-savings	Net Aggregate Savings	
2023	\$ 93,391	\$ 49,428	\$ 43,963	\$ 5,331,563	\$ 42,094	\$ 5,289,468	\$ 43,963	\$ 5,289,468	\$ 5,333,431	2023
2024	356,781	287,000	69,781	-	399,419	(399,419)	69,781	(399,419)	(329,638)	2024
2025	355,625	287,000	68,625	-	401,669	(401,669)	68,625	(401,669)	(333,044)	2025
2026	358,976	287,000	71,976	-	398,419	(398,419)	71,976	(398,419)	(326,443)	2026
2027	356,824	287,000	69,824	-	399,919	(399,919)	69,824	(399,919)	(330,095)	2027
2028	779,094	692,000	87,094	-	400,919	(400,919)	87,094	(400,919)	(313,825)	2028
2029	778,414	691,750	86,664	-	401,419	(401,419)	86,664	(401,419)	(314,755)	2029
2030	781,336	695,500	85,836	-	401,419	(401,419)	85,836	(401,419)	(315,583)	2030
2031	778,148	693,000	85,148	-	400,919	(400,919)	85,148	(400,919)	(315,771)	2031
2032	779,115	694,500	84,615	-	399,919	(399,919)	84,615	(399,919)	(315,304)	2032
2033	779,100	689,750	89,350	-	403,419	(403,419)	89,350	(403,419)	(314,069)	2033
2034	778,073	689,000	89,073	-	401,169	(401,169)	89,073	(401,169)	(312,096)	2034
2035	775,869	687,000	88,869	-	398,419	(398,419)	88,869	(398,419)	(309,550)	2035
2036	777,591	688,750	88,841	-	400,169	(400,169)	88,841	(400,169)	(311,328)	2036
2037	778,071	689,000	89,071	-	401,169	(401,169)	89,071	(401,169)	(312,098)	2037
2038	777,197	687,750	89,447	-	401,419	(401,419)	89,447	(401,419)	(311,972)	2038
2039	-	-	-	-	400,919	(400,919)	-	(400,919)	(400,919)	2039
2040	-	-	-	-	402,106	(402,106)	-	(402,106)	(402,106)	2040
2041	-	-	-	-	402,656	(402,656)	-	(402,656)	(402,656)	2041
2042	-	-	-	-	402,569	(402,569)	-	(402,569)	(402,569)	2042
2043	-	-	-	-	401,844	(401,844)	-	(401,844)	(401,844)	2043
	\$ 10,083,601	\$ 8,795,428	\$ 1,288,173	\$ 5,331,563	\$ 8,061,970	\$ (2,730,407)	\$ 1,288,173	\$ (2,730,407)	\$ (1,442,234)	

(1) Tender Prices are estimated as of March 10, 2023. Includes a tender premium of 2.0% based on average secondary market pricing.

(2) New debt service is based on current market rates as of March 10, 2023.

(3) The Series 2013A DDC has \$5,170,000 currently outstanding and is due on August 15, 2023. Restructuring the debt would extend the maturity to August 15, 2043.



- ☐ **Parameter authorization will enable the sale of the Bonds at optimum timing and structure:**
 - Special Revenue Refunding Bonds, Series 2023

- ☐ **Council delegates final pricing authority to following Pricing Officer(s):**
 - City Manager/Interim City Manager
 - Chief Financial Officer

- ☐ **Council asked to approve parameters as recommended by DDC:**
 - Maximum True Interest Cost – 5.25%
 - Aggregate Not-to-Exceed Principal Amount for all bonds that can be issued under Ordinance – \$5,750,000
 - Aggregate Overall Debt Loss Maximum - \$3,950,000
 - Final Maturity Date – December 15, 2043
 - Expiration of Delegated Authority – 180 Days

- ☐ **Pricing Officer can only approve sale if all Council parameters are met.**



- ☐ **Parameter authorization will enable the sale of the Bonds at optimum timing and structure:**
 - Special Revenue Refunding Bonds, Series 2023A
- ☐ **Council delegates final pricing authority to following Pricing Officer(s):**
 - City Manager/Interim City Manager
 - Chief Financial Officer
- ☐ **Council asked to approve parameters as recommended by DDC:**
 - Maximum True Interest Cost – 5.25%
 - Minimum Present Value Savings – 3.00% (Net of any Corporation contribution)
 - Aggregate Not-to-Exceed Principal Amount for all bonds that can be issued under Ordinance – \$21,750,000
 - Final Maturity Date – December 31, 2038
 - Expiration of Delegated Authority – 180 Days
- ☐ **Pricing Officer can only approve sale if all Council parameters are met.**



- ❑ **April 12, 2023:** City Council considers selling “City of El Paso Downtown Development Corporation Special Revenue Refunding Bonds, Series 2023 & Series 2023A” (Downtown Ballpark Venue Project), through a parameter ordinance.
- ❑ **May 2, 2023:** Globic sends First Invitation to Tender to DTC.
- ❑ **May 17, 2023:** Globic sends Second Invitation to Tender to DTC.
- ❑ **May 23, 2023:** Tentative Pricing of “City of El Paso Downtown Development Corporation Special Revenue Refunding Bonds, Series 2023 & 2023A”
- ❑ **June 13, 2023:** Tentative Closing of “City of El Paso Downtown Development Corporation Special Revenue Refunding Bonds, Series 2023 & 2023A”



QUESTIONS & ANSWERS



Legislation Text

File #: 23-504, Version: 1

**CITY OF EL PASO, TEXAS
LEGISTAR AGENDA ITEM SUMMARY FORM**

DISTRICT, DEPARTMENT, CONTACT INFORMATION:

Please choose District and Department from drop down menu. Please post exactly as example below.

No Title's, No emails. Please use ARIAL 10 Font.

City Manager's Office, Robert Cortinas, (915) 212-1067

AGENDA LANGUAGE:

This is the language that will be posted to the agenda. Please use ARIAL 11 Font.

Discuss and approve a Resolution authorizing the issuance of the City of El Paso Downtown Development Corporation Special Revenue Refunding Bonds, Series 2023A (Downtown Ballpark Venue Project) for debt service savings; approving a Fifth Supplement to Trust Agreement and a Fifth Amendment to Master Lease Agreement; authorizing the execution of other documents and instruments necessary or convenient to carry out the issuance of such refunding bonds; and resolving other matters incident and related thereto.

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

DEPARTMENT: City Manager's Office

AGENDA DATE: April 11, 2023

CONTACT PERSON NAME / PHONE NUMBER: Robert Cortinas, Chief Financial Officer (915)-212-1067

DISTRICT(S) AFFECTED: All

STRATEGIC GOALS: Goal 6: Set the Standard for Sound Governance and Fiscal Management

SUBJECT:

A RESOLUTION authorizing the issuance of the City of El Paso Downtown Development Corporation Special Revenue Refunding Bonds, Series 2023A (Downtown Ballpark Venue Project) for debt service savings; approving a Fifth Supplement to Trust Agreement and a Fifth Amendment to Master Lease Agreement; authorizing the execution of other documents and instruments necessary or convenient to carry out the issuance of such refunding bonds; and resolving other matters incident and related thereto.

BACKGROUND / DISCUSSION:

As authorized by applicable law including Chapter 1207, each of the Executive Director and the Treasurer of the Corporation (each a "Pricing Officer") is hereby authorized to act on behalf of the Corporation in selling and delivering the Series 2023A Bonds and carrying out the other procedures specified in this Resolution, including, but not limited to, selecting the specific maturities (whole or part) of the Series 2021 Bonds to be refunded or purchased for cancellation in accordance with the invitation to offer bonds for purchase (including all exhibits and/or appendices thereto, the "Invitation"), and the method for determining the purchase price for each maturity of the Series 2021 Bonds subject to the Tender Offer, designation of an information agent and tender agent related thereto and the principal amount and purchase price of the Series 2021 Bonds to be tendered pursuant to the Tender Offer and accepted for purchase and cancellation, overseeing the preparation and distribution of the Invitation with respect to the Series 2021 Bonds, overseeing the preparation and execution of a dealer manager agreement and any agreement with the information agent and tender agent relating to the Invitation and the Tender Offer, determining the aggregate original principal amount of the Series 2023A Bonds, the date of the Series 2023A Bonds, any different designation or title by which the Series 2023A Bonds shall be known, the terms of any bond insurance applicable to the Series 2023A Bonds, the price at which the Series 2023A Bonds will be sold, the years in which the Series 2023A Bonds will mature, the principal amount of the Series 2023A Bonds to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment dates, the record date, the price and terms upon and at which the Series 2023A Bonds shall be subject to redemption prior to maturity at the option of the Corporation, as well as any mandatory sinking fund redemption or extraordinary optional redemption provisions, the designation of an escrow agent, if applicable, satisfying the requirements of Chapter 1207, the designation of one or more funds for the payment of the Series 2023A Bonds, and all other matters relating to the issuance, sale and delivery of the Series 2023A Bonds and the Tender Offer, all of which shall be specified in the final executed Fifth Supplement and an approval certificate (the "Approval Certificate") executed by the Pricing Officer, provided that:

- (a) the aggregate original principal amount of the Series 2023A Bonds shall not exceed \$21,750,000;
- (b) the refunding of the Series 2021 Bonds must produce present value debt service savings of at least three percent (3.00%), net of any Corporation contribution;
- (c) the aggregate true interest cost for the Series 2023A Bonds shall not exceed 5.25%; and
- (d) the maximum maturity date for the Series 2023A Bonds shall not exceed August 15, 2038.

PRIOR COUNCIL ACTION:

The City and the Corporation executed that First Amendment to Master Lease Agreement, dated as of May 1, 2016 in connection with the Corporation's issuance of the Series 2016 Bonds, a Second Amendment to Master Lease Agreement, dated as of July 17, 2020 in connection with the Corporation's issuance of the Series 2020 Bonds, and a Third Amendment to Master Lease Agreement, dated as of June 1, in connection with the Corporation's issuance of the Series 2021 Bonds

The City and the Corporation will execute a Fourth Amendment to Master Lease Agreement Relating to the City of El Paso, Texas Downtown Ballpark Venue Project Financing Between the City and the Corporation, dated as of June 1, 2023 in connection with the Corporation's issuance of the Series 2023 Bonds.

AMOUNT AND SOURCE OF FUNDING:

Debt service is primarily funded 2% venue project HOT and team revenues

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

DEPARTMENT HEAD: Robert Cortinas

(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

A RESOLUTION authorizing the issuance of the City of El Paso Downtown Development Corporation Special Revenue Refunding Bonds, Series 2023A (Downtown Ballpark Venue Project) for debt service savings; approving a Fifth Supplement to Trust Agreement and a Fifth Amendment to Master Lease Agreement; authorizing the execution of other documents and instruments necessary or convenient to carry out the issuance of such refunding bonds; and resolving other matters incident and related thereto.

WHEREAS, the City of El Paso Downtown Development Corporation (the “**Corporation**”) has been created and organized as a public, nonprofit local government corporation incorporated pursuant to Subchapter D of Chapter 431, Texas Transportation Code, as amended, to aid, assist and act on behalf of the City of El Paso, Texas (the “**City**”) in the performance of the City’s governmental functions; and

WHEREAS, pursuant to an election held in the City on November 6, 2012, the voters of the City authorized the City to provide for the planning, acquisition, establishment, development, construction and financing of a sports and community venue project within the City of the type described and defined in Section 334.001(4)(A) of and permitted by Chapter 334, Local Government Code, as amended (the “**Venue Project Act**”), and described in summary form as a multipurpose coliseum, stadium or other type of arena or facility that is planned for use for one or more professional or amateur sports events, including minor league baseball games and related infrastructure as defined in the Venue Project Act (the “**Project**”), and to impose a tax (the “**HOT**”) on the occupancy of a room in hotels located within the City, at a maximum rate of two percent (2%) of the price paid for such room, as authorized by Subchapter H of the Venue Project Act; and

WHEREAS, the Corporation has previously issued its “City of El Paso Downtown Development Corporation Special Revenue Bonds, Series 2013A (Downtown Ballpark Venue Project)” (the “**Series 2013 Tax Exempt Bonds**”) and the “City of El Paso Downtown Development Corporation Special Revenue Bonds, Taxable Series 2013B (Downtown Ballpark Venue Project)” (the “**Series 2013 Taxable Bonds**”) pursuant to a Trust Agreement relating to the City of El Paso, Texas, Downtown Ballpark Venue Project Financing, dated as of August 1, 2013, as amended by a First Amendment to the Trust Agreement dated as of October 15, 2013 (collectively, as amended, the “**Original Trust Agreement**”), by and between the Corporation and Wells Fargo Bank, National Association, as trustee; and

WHEREAS, the Corporation and Wells Fargo Bank, National Association entered into a First Supplement to Trust Agreement Relating to the City of El Paso, Texas Downtown Ballpark Venue Project Financing, dated May 1, 2016 (the “**First Supplement**”), in connection with the Corporation’s issuance of its “City of El Paso Downtown Development Corporation Special Revenue Refunding Bonds, Series 2016 (Downtown Ballpark Venue Project)” (the “**Series 2016 Bonds**”), a Second Supplement to Trust Agreement Relating to the City of El Paso, Texas Downtown Ballpark Venue Project Financing, dated July 17, 2020 (the “**Second Supplement**”), in connection with the Corporation’s issuance of its “City of El Paso Downtown Development Corporation Special Revenue Refunding Bonds, Series 2020 (Downtown Ballpark Venue Project)” (the “**Series 2020 Bonds**”), and a Third Supplement to Trust Agreement Relating to the City of El Paso, Texas Downtown Ballpark Venue Project Financing, dated June 1, 2021 (the “**Third Supplement**”), in connection with the Corporation’s issuance of its “City of El Paso

Downtown Development Corporation Special Revenue Refunding Bonds, Taxable Series 2021 (Downtown Ballpark Venue Project)” (the “**Series 2021 Bonds**”); and

WHEREAS, the Corporation and Computershare Trust Company, N.A. (as successor to Wells Fargo Bank, National Association, the “**Trustee**”) will enter into a Fourth Supplement to Trust Agreement Relating to the City of El Paso, Texas Downtown Ballpark Venue Project Financing, dated June 1, 2023 (the “**Fourth Supplement**”), in connection with the Corporation’s issuance of its “City of El Paso Downtown Development Corporation Special Revenue Refunding Bonds, Series 2023 (Downtown Ballpark Venue Project)” (the “**Series 2023 Bonds**”); and

WHEREAS, the City and the Corporation executed that Master Lease Agreement Relating to the City of El Paso, Texas, Downtown Ballpark Venue Project Financing, dated as of August 1, 2013, between the City and the Corporation (the “**Master Lease Agreement**”), pursuant to which the City leased the Project to the Corporation and the Corporation subleased the Project back to the City; and

WHEREAS, the City and the Corporation executed that First Amendment to Master Lease Agreement, dated as of May 1, 2016 (the “**First Lease Amendment**”), in connection with the Corporation’s issuance of the Series 2016 Bonds, a Second Amendment to Master Lease Agreement, dated as of July 17, 2020 (the “**Second Lease Amendment**”) in connection with the Corporation’s issuance of the Series 2020 Bonds, and a Third Amendment to Master Lease Agreement, dated as of June 1, 2021 (the “**Third Lease Amendment**”) in connection with the Corporation’s issuance of the Series 2021 Bonds; and

WHEREAS, the City and the Corporation will enter into a Fourth Amendment to Master Lease Agreement, dated as of June 1, 2023 (the “**Fourth Lease Amendment**”) in connection with the Corporation’s issuance of the Series 2023 Bonds; and

WHEREAS, under the Master Lease Agreement, First Lease Amendment, Second Lease Amendment, and Third Lease Amendment, the City pays to the Corporation lease payments (the “**Lease Payments**”) at such times and in such amounts as will be sufficient to pay debt service on the Outstanding Parity Bonds, such Lease Payments to be primarily funded from the HOT; and

WHEREAS, Chapter 1207 of the Texas Government Code, as amended (“**Chapter 1207**”), authorizes the Corporation to issue refunding bonds and deposit the proceeds of the sale directly with any place of payment for the refunded bonds, or other authorized depository, and such deposit, when made in accordance with such statute, shall constitute firm banking and financial arrangements for the discharge and final payment of such refunded bonds; and

WHEREAS, the Board of Directors of the Corporation (the “**Board**”) hereby finds and determines that it is in the best interest of the Corporation to issue its “City of El Paso Downtown Development Corporation Special Revenue Refunding Bonds, Series 2023A (Downtown Ballpark Venue Project)” (the “**Series 2023A Bonds**”) to refund the outstanding Series 2021 Bonds for debt service savings; and

WHEREAS, the Series 2023A Bonds will be issued pursuant to the terms of a Fifth Supplement To Trust Agreement Relating to the City of El Paso, Texas Downtown Ballpark Venue Project Financing Between the Trustee and the Corporation (the “**Fifth Supplement**”), substantially in the form of attached Exhibit A which is hereby incorporated by reference; and

WHEREAS, the Master Lease Agreement will have to be amended pursuant to a Fifth Amendment to Master Lease Agreement Relating to the City of El Paso, Texas Downtown Ballpark Venue Project Financing Between the City and the Corporation (the "***Fifth Lease Amendment***"), substantially in the form of attached Exhibit B which is hereby incorporated by reference, to reflect the issuance of the Series 2023A Bonds and defeasance of the Series 2021 Bonds; and

WHEREAS, by City Ordinance adopted on the date hereof, the City Council of the City authorized and approved the issuance of the Series 2023A Bonds by the Corporation and the execution of the Fifth Lease Amendment and;

WHEREAS, there have been presented to the Board forms of each of the following documents:

1. the Fifth Supplement; and
2. the Fifth Lease Amendment; the Fifth Supplement and the Fifth Lease Amendment are collectively referred to herein as the "***Transaction Documents***"; and

WHEREAS, the Board shall by this Resolution, in accordance with the provisions of Chapter 1207, delegate to a Pricing Officer (hereinafter designated) the authority to determine the principal amount of Series 2023A Bonds to be issued, negotiate the terms of sale thereof and approve all final terms of the Series 2023A Bonds and to select the specific maturities (whole or part) of the Series 2021 Bonds to be refunded through payment of the purchase price and cancellation thereof through a tender offer (such transaction, the "***Tender Offer***") or otherwise;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY OF EL PASO DOWNTOWN DEVELOPMENT CORPORATION THAT:

SECTION 1: Transaction Documents. The Board hereby finds the form and substance of the Transaction Documents to be satisfactory and proper and hereby determines to proceed with the issuance and sale of the Series 2023A Bonds, the execution of the Transaction Documents (to the extent necessary by the terms thereof) and the taking of such other actions as may be necessary and appropriate in connection therewith. The issuance of the Series 2023A Bonds is found to be in the best interest of the Corporation.

SECTION 2: Approval of Fifth Supplement. The Board hereby approves the Fifth Supplement in substantially the form and substance presented to the Board, as further modified and finalized in accordance with Section 4 hereof, and the Executive Director or Treasurer of the Corporation is hereby authorized and directed, for and on behalf of the Corporation, to execute and deliver the Fifth Supplement and the Secretary, Treasurer or any other Board member or officer of the Corporation is hereby authorized to attest the Fifth Supplement on behalf of the Corporation. Upon execution by the parties thereto and delivery thereof, the Fifth Supplement shall be binding upon the Corporation in accordance with the terms and provisions thereof. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Fifth Supplement.

SECTION 3: Approval of Fifth Lease Amendment. The Board hereby approves the Fifth Lease Amendment in substantially the form and substance presented to the Board, as

further modified and finalized to take into account the pricing delegation set forth in Section 4 hereof, and the Chair or Vice Chair of the Board or the Executive Director or Treasurer of the Corporation is hereby authorized and directed, for and on behalf of the Corporation, to execute and deliver the Fifth Lease Amendment and the Secretary, the Treasurer or any other Board member or officer of the Corporation is hereby authorized to attest to the Fifth Lease Amendment on behalf of the Corporation. Upon execution by the parties thereto and delivery thereof, the Fifth Lease Amendment shall be binding upon the Corporation in accordance with the terms and provisions thereof.

SECTION 4: Delegation of Authority to Pricing Officer. As authorized by applicable law including Chapter 1207, each of the Executive Director and the Treasurer of the Corporation (each a “**Pricing Officer**”) is hereby authorized to act on behalf of the Corporation in selling and delivering the Series 2023A Bonds and carrying out the other procedures specified in this Resolution, including, but not limited to, selecting the specific maturities (whole or part) of the Series 2021 Bonds to be refunded or purchased for cancellation in accordance with the invitation to offer bonds for purchase (including all exhibits and/or appendices thereto, the “**Invitation**”), and the method for determining the purchase price for each maturity of the Series 2021 Bonds subject to the Tender Offer, designation of an information agent and tender agent related thereto and the principal amount and purchase price of the Series 2021 Bonds to be tendered pursuant to the Tender Offer and accepted for purchase and cancellation, overseeing the preparation and distribution of the Invitation with respect to the Series 2021 Bonds, overseeing the preparation and execution of a dealer manager agreement and any agreement with the information agent and tender agent relating to the Invitation and the Tender Offer, determining the aggregate original principal amount of the Series 2023A Bonds, the date of the Series 2023A Bonds, any different designation or title by which the Series 2023A Bonds shall be known, the terms of any bond insurance applicable to the Series 2023A Bonds, the price at which the Series 2023A Bonds will be sold, the years in which the Series 2023A Bonds will mature, the principal amount of the Series 2023A Bonds to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment dates, the record date, the price and terms upon and at which the Series 2023A Bonds shall be subject to redemption prior to maturity at the option of the Corporation, as well as any mandatory sinking fund redemption or extraordinary optional redemption provisions, the designation of an escrow agent, if applicable, satisfying the requirements of Chapter 1207, the designation of one or more funds for the payment of the Series 2023A Bonds, and all other matters relating to the issuance, sale and delivery of the Series 2023A Bonds and the Tender Offer, all of which shall be specified in the final executed Fifth Supplement and an approval certificate (the “**Approval Certificate**”) executed by the Pricing Officer, provided that:

- (a) the aggregate original principal amount of the Series 2023A Bonds shall not exceed \$21,750,000;
- (b) the refunding of the Series 2021 Bonds must produce present value debt service savings of at least three percent (3.00%), net of any Corporation contribution;
- (c) the aggregate true interest cost for the Series 2023A Bonds shall not exceed 5.25%; and

(d) the maximum maturity date for the Series 2023A Bonds shall not exceed August 15, 2038.

In establishing the aggregate principal amount of the Series 2023A Bonds, the Pricing Officer shall establish an amount not exceeding the amount authorized in Subsection (a) above, which shall be sufficient in amount to provide for the purposes for which the Series 2023A Bonds are authorized and to pay the costs of issuing the Series 2023A Bonds. Unless otherwise extended by an act of the Board, the delegation made hereby shall expire if not exercised by the Pricing Officer on or prior to 180 days after the adoption of this Resolution. The Series 2023A Bonds shall be sold by negotiated sale to the Purchasers (defined below), at such price(s) and with and subject to such terms as set forth in the Fifth Supplement and/or the Purchase Contract (defined below). The execution of the Purchase Contract shall evidence the sale date of the Series 2023A Bonds by the Corporation to the Purchasers.

If the Pricing Officer determines that bond insurance results in a net reduction of the Corporation's interest costs associated with the Series 2023A Bonds, then the Pricing Officer is authorized, in connection with effecting the sale of the Series 2023A Bonds, to obtain from a municipal bond insurance company (the "**Insurer**") a municipal bond insurance policy in support of the Series 2023A Bonds. To that end, should the Pricing Officer exercise such authority and commit the Corporation to obtain a municipal bond insurance policy, for so long as such policy is in effect, the requirements of the Insurer relating to the issuance of such policy or policies are incorporated by reference into this Resolution and made a part hereof for all purposes, notwithstanding any other provision of this Resolution to the contrary.

SECTION 5: Purchase of Series 2021 Bonds. If the Corporation undertakes the Tender Offer for all or a portion of the Series 2021 Bonds, on or prior to the date of the initial delivery of the Series 2023A Bonds (the "**Closing Date**"), the Trustee shall deposit in the Series 2023A Proceeds Account established pursuant to the Fifth Supplement the amount set forth in the Approval Certificate for the purchase for cancellation of the Series 2021 Bonds in accordance with the Invitation. Specifically, each holder of the purchased bonds identified in the Approval Certificate (the "**Purchased Bonds**") will deliver or cause to be delivered its Series 2021 Bonds to the Corporation's DTC ATOP Account as described in the Invitation. The Trustee, on behalf of the Corporation, will complete the purchase by paying the purchase price for the Purchased Bonds from the Series 2023A Proceeds Account according to the instructions described in the Approval Certificate or other written instructions from the Corporation or its financial advisor. The Corporation hereby directs the Trustee, after such payments have been made by the Trustee, on behalf of the Corporation, to cancel the Series 2021 Bonds so purchased.

SECTION 6: Approval of Dealer Manager. To effectuate the purchase of the Series 2021 Bonds, the Corporation hereby selects Jefferies LLC as the exclusive dealer manager (the "**Dealer Manager**") to assist the Corporation in conducting the Tender Offer and further authorizes each Pricing Officer to negotiate and execute a Dealer Manager Agreement, and, in conjunction with the Dealer Manager, to execute, acknowledge, modify, deliver, and file with the MSRB any and all documentation related to the Tender Offer. Furthermore, each Pricing Officer is authorized to (i) negotiate the fees and expenses of the information agent and tender agent, whether such agent is hired by the Corporation or by the Dealer Manager, in connection with the Invitation, and (ii) to pay, or reimburse the Dealer Manager for, the fees and expenses of the

information and tender agent, in an amount not to exceed \$25,000, from lawfully available funds of the Corporation.

SECTION 7: Execution - Registration. The Board hereby approves the Series 2023A Bonds in substantially the forms and substance set forth in the Fifth Supplement as presented to the Board, and the Chair or Vice Chair of the Board and the Secretary or the Treasurer of the Corporation are hereby authorized and directed, for and on behalf of the Corporation, to execute the Series 2023A Bonds or have their facsimile signatures placed upon the Series 2023A Bonds, and such officers are hereby authorized and directed to deliver the Series 2023A Bonds in accordance with their terms. Series 2023A Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the Corporation on the date of execution of the Fifth Supplement shall be deemed to be duly executed on behalf of the Corporation, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Series 2023A Bonds to the Purchasers and with respect to Series 2023A Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in Chapter 1201, Texas Government Code, as amended.

SECTION 8: Trustee. Computershare Trust Company, N.A., Dallas, Texas is hereby appointed and confirmed as Trustee and paying agent under the terms of the Fifth Supplement. If such bank shall be unable or unwilling to serve in one or more of such capacities, the Pricing Officer, Chair or Vice Chair of the Board is hereby authorized and directed to designate a commercial bank or other legally authorized entity to serve as Trustee and paying agent in the manner and to the extent described in the Fifth Supplement.

SECTION 9: Sale of Series 2023A Bonds - Official Statement Approval. The Series 2023A Bonds are to be sold by the Corporation to the purchasers named in the Approval Certificate, as the underwriters of the Series 2023A Bonds (collectively, the “**Purchasers**”) in accordance with a bond purchase agreement (the “**Purchase Contract**”), the terms and provisions of which Purchase Contract are to be determined by the Pricing Officer in accordance with Section 4 hereof. The Pricing Officer is hereby authorized and directed to execute the Purchase Contract for and on behalf of the Corporation and as the act and deed of the Board.

The Chair and Vice Chair of the Board and the Executive Director, Secretary and/or Treasurer of the Corporation are hereby severally authorized, directed and empowered to prepare, amend, supplement and approve a preliminary official statement for the Series 2023A Bonds (the “**Preliminary Official Statement**”) and a final official statement for the Series 2023A Bonds (the “**Official Statement**”) for use in the proposed offering of such Series 2023A Bonds. The Board hereby authorizes and approves the use and distribution of the Preliminary Official Statement and the Official Statement (that have been approved in accordance with the previous sentence) in the offering of the Series 2023A Bonds and the Pricing Officer is hereby authorized to deem such Preliminary Official Statement “final” for purpose of the Rule on behalf of the Corporation.

SECTION 10: Execution of Tax Certifications. The Chair and Vice Chair of the Board, and the Executive Director, Treasurer, Secretary or any other officer of the Corporation, are each authorized to execute such documents, certificates and receipts, and to make such elections with respect to the tax-exempt status of the Series 2023A Bonds, as they may deem appropriate in

order to consummate the delivery of the Series 2023A Bonds in accordance with the provisions and terms of this Resolution and the Fifth Supplement.

SECTION 11: Bond Counsel Opinion. The obligation of the Purchasers to accept delivery of the Series 2023A Bonds is subject to the Purchasers being furnished with the final, approving opinion of Norton Rose Fulbright US LLP, Bond Counsel for the Corporation, which opinion shall be dated and delivered the Closing Date. The engagement of such firm as Bond Counsel to the Corporation in connection with the Tender Offer and the issuance of its Series 2023A Bonds is hereby approved and confirmed.

SECTION 12: Further Procedures. Each of the Chair, Vice Chair, Executive Director, Treasurer, Assistant Treasurer, Secretary and Assistant Secretary of the Corporation is, individually and collectively, authorized and directed to take all action necessary or reasonably required to effectuate the issuance of the Series 2023A Bonds and the Tender Offer and for carrying out, giving effect to, and consummating the transactions described in the Series 2023A Bonds, this Resolution, the Transaction Documents, and any other instruments authorized by this Resolution or required to effect the transaction contemplated hereby, including without limitation, the execution and delivery of any closing documents and other certificates and documents in addition to those specifically referenced herein that are required in connection with the issuance of the Series 2023A Bonds.

Furthermore, prior to the initial delivery of the Series 2023A Bonds, any of the Chair, Vice Chair, Executive Director, Treasurer or Bond Counsel to the Corporation are each hereby authorized and directed to approve any changes or corrections to this Resolution or to any of the documents authorized and approved by this Resolution: (i) in order to cure any ambiguity, formal defect, or omission in the Resolution or such other document; (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Series 2023A Bonds by the Attorney General; (iii) as requested by any of the national bond rating agencies to obtain a rating or ratings on the Series 2023A Bonds; or (iv) to accomplish the issuance and delivery of the Series 2023A Bonds and Tender Offer and if such officer or counsel determines that such changes are consistent with the intent and purpose of the Resolution, which determination shall be final. In the event that any officer of the Corporation whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Additionally, the Chair, Vice Chair, Executive Director, Treasurer, Assistant Treasurer, Secretary or Assistant Secretary of the Corporation may execute, authenticate, certify, or endorse or authorize to be executed, authenticated, certified, or endorsed with such officer's facsimile signature instead of the officer's manual signature any written agreement, including a contract, purchase order or surety bond, and any related document, including an application, certificate, or approval. For purposes of this Resolution, "facsimile signature" means a reproduction of the manual signature of an authorized officer that is made by any method.

SECTION 13: Incorporation of Findings and Determinations. The findings and determinations of the Board contained in the preamble hereof are hereby incorporated by

reference and made a part of this Resolution for all purposes as if the same were restated in full in this Section.

SECTION 14: Corporate Officers. As set forth in the Original Trust Agreement, the Executive Director of the Corporation shall at all times be the person serving as the City Manager of the City; the Treasurer of the Corporation shall at all times be the person serving in the capacity of the Chief Financial Officer of the City; and the Secretary of the Corporation shall at all times be the person serving as the City Clerk of the City. The City's Comptroller is hereby confirmed as the Assistant Treasurer of the Corporation and any Alternate City Clerk is hereby confirmed as an Assistant Secretary of the Corporation.

SECTION 15: Severability. If any section, paragraph, clause, or provision of the Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution. In case any obligation of the Corporation authorized or established by this Resolution or the Series 2023A Bonds is held to be in violation of law as applied to any person or in any circumstance, such obligation shall be deemed to be the obligation of the Corporation to the fullest extent permitted by law.

SECTION 16: Public Meeting. 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 Texas Government Code, Chapter 551, as amended.

SECTION 17: Effective Date. This Resolution shall be in force and effect from and after its passage on the date shown below.

[Remainder of page left blank intentionally.]


APPROVED AND ADOPTED this 11th day of April, 2023.

Oscar Leeser
Chair, Board of Directors
City of El Paso
Downtown Development Corporation

ATTEST:

Laura D. Prine
Secretary, City of El Paso
Downtown Development Corporation

Approved as to Form:




Karla Nieman
City Attorney
City of El Paso, Texas

Approved as to Content:



Robert Cortinas
Treasurer, City of El Paso
Downtown Development Corporation

Approved as to Form:



Paul A. Braden
Bond Counsel

Exhibit A

Fifth Supplement

Exhibit B

Fifth Lease Amendment

City of El Paso Downtown Development Corporation

Special Revenue Refunding Bonds, Series 2023

Special Revenue Refunding Bonds, Series 2023A
.....

April 11, 2023



El Paso Downtown Development Corporation (Downtown Ballpark Venue Project)

Special Revenue Refunding Bonds, Series 2023

- City of El Paso Downtown Development Corporation seeks to authorize the issuance of Special Revenue Refunding Bonds, Series 2023 (Downtown Ballpark Venue Project) to restructure debt service on certain Corporation's debt (Series 2013A).

Special Revenue Refunding Bonds, Series 2023A

- City of El Paso Downtown Development Corporation seeks to authorize the issuance of Special Revenue Refunding Bonds, Series 2023A (Downtown Ballpark Venue Project) for debt service savings.



Special Revenue Refunding Bonds, Series 2023

- ❑ City of El Paso Downtown Development Corporation seeks to authorize the issuance of Special Revenue Refunding Bonds, Series 2023 (Downtown Ballpark Venue Project) to restructure debt service on certain Corporation's debt (Series 2013A)
 - Municipal bonds are typically issued long-term for 20-30 years, with set coupons, and a call feature that allows the issuer to call bonds if needed. Bonds can be called to restructure existing debt payments, bond covenants, or to reduce overall debt payments.
 - The purpose of the Special Revenue Refunding Bonds, Series 2023 will be to restructure Series 2013A's non-callable maturity due on 8/15/2023.
 - In August of 2013, the Corporation issued Special Revenue Bonds to finance the construction of the Downtown Ballpark Venue Project. Due to increased market volatility at the time of issuance of bonds, the structure of the Series 2013A bonds factored a non-callable maturity of \$5,170,000 due on August 15, 2023.



Special Revenue Refunding Bonds, Series 2023

- ❑ City of El Paso Downtown Development Corporation seeks to authorize the issuance of Special Revenue Refunding Bonds, Series 2023 (Downtown Ballpark Venue Project) to restructure debt service on certain Corporation's debt (Series 2013A)
 - Since the issuance of the 2013A bonds, it has been the intent of the Corporation to restructure the total principal due August 15, 2023, plus any accrued interest prior to maturity. With the issuance of Series 2023, the Corporation plans to restructure the debt over the next 20 years.
 - Over the last 10 years, the Corporation has actively taken advantage of any refunding opportunities for debt service savings. Along with the issuance of Series 2023 Bonds to restructure existing debt, the Corporation will seek another opportunity to capture debt service savings by refunding Taxable Bond Series 2021 through a bond tender offer.
 - To-date the Corporation has saved \$11.9 million in gross debt service from bond refunding activities. *In 2016 and 2021, the Corporation's refunding bonds resulted in gross debt service payments of \$4.0 million and \$7.9 million, respectively.*

Summary of Restructuring Results



Special Revenue Refunding Bonds, Series 2023

Summary

- Parameter authorization will provide flexibility to refund Series 2013A bonds prior to maturity.
- Key Assumptions
 - Assumed True Interest Cost: 4.15%
 - Estimate of Additional Debt Service with Maturity on 8/15/2043: \$2.73 million

Debt Service Comparison

FYE 8/31	RESTRUCTURING City of El Paso Downtown Dev Corp Special Revenue Bonds Series 2013A			FYE 8/31
	Prior 2013A DDC Debt Service ⁽¹⁾	New Debt Service ⁽²⁾	Annual Savings	
2023	\$ 5,331,563	\$ 42,094	\$ 5,289,468	2023
2024	-	399,419	(399,419)	2024
2025	-	401,669	(401,669)	2025
2026	-	398,419	(398,419)	2026
2027	-	399,919	(399,919)	2027
2028	-	400,919	(400,919)	2028
2029	-	401,419	(401,419)	2029
2030	-	401,419	(401,419)	2030
2031	-	400,919	(400,919)	2031
2032	-	399,919	(399,919)	2032
2033	-	403,419	(403,419)	2033
2034	-	401,169	(401,169)	2034
2035	-	398,419	(398,419)	2035
2036	-	400,169	(400,169)	2036
2037	-	401,169	(401,169)	2037
2038	-	401,419	(401,419)	2038
2039	-	400,919	(400,919)	2039
2040	-	402,106	(402,106)	2040
2041	-	402,656	(402,656)	2041
2042	-	402,569	(402,569)	2042
2043	-	401,844	(401,844)	2043
	<u>\$ 5,331,563</u>	<u>\$ 8,061,970</u>	<u>\$ (2,730,407)</u>	

(1) The Series 2013A EPDDC has \$5,170,000 currently outstanding and is due on August 15, 2023. Restructuring the debt would extend the maturity to August 15, 2043.

(2) New debt service is based on current market rates as of March 10, 2023.



Special Revenue Refunding Bonds, Series 2023A

- ❑ City of El Paso Downtown Development Corporation seeks to authorize the issuance of Special Revenue Refunding Bonds, Series 2023A (Downtown Ballpark Venue Project) for debt service savings.
 - Refunding/refinancing bonds for savings: Replace existing debt service payments by paying off an “Existing” bond with a “New” bond that produces LOWER overall debt service payments to an issuer. Similar to refinancing a home with lower interest rates.
 - In today’s market, traditional refundings/refinancings are difficult to execute due to rising interest rates over the last year. Traditional refunding/refinancing captures savings by capitalizing on the difference between the coupon of the refunded bonds and the yield of the refunding bonds.



Special Revenue Refunding Bonds, Series 2023A

- ❑ City of El Paso Downtown Development Corporation seeks to authorize the issuance of Special Revenue Refunding Bonds, Series 2023A (Downtown Ballpark Venue Project) for debt service savings.
- However, a refunding/refinancing might be available to the City by refunding existing taxable refunding bonds back to tax-exempt debt through a Bond Tender Offer.
- What is a Bond Tender Offer?
 - A bond tender offer is a process where an offer is made to existing bondholders to repurchase a specified number of bonds at a particular price and a specified time. *Bondholders have a right to accept or reject any offers.*
 - Tender offer notices are publicly posted for a period of time and will allow the financing team to confirm bondholder's willingness to sell back their bonds.
 - A tender for taxable bonds generates savings based on the current spread between tax-exempt and taxable yields (not the coupons).
 - The City could borrow at lower "tax-exempt" yields and purchase back outstanding "taxable" yields, thus reducing the overall cost of debt.

Summary of Refunding Results



Special Revenue Refunding Bonds, Series 2023A

Summary

- Parameter authorization will provide flexibility to refund all eligible bonds currently outstanding.
- However, in recent transactions, issuers have seen 20-35% success rate of bonds tendered.
- Key Assumptions
 - Assumed True Interest Cost: 3.76%
 - Assumed Tender Success Rate: 30%
 - Potential Gross Savings: \$1.29 million
 - Potential Net Present Value (%): 11.53%

Savings Comparison

TENDER OFFER				
City of El Paso Downtown Dev Corp				
Special Revenue Refunding Bonds				
Taxable Series 2021				
FYE	Prior 2021 DDC	New	Annual	FYE
8/31	Debt Service ⁽¹⁾	Debt Service ⁽²⁾	Savings	8/31
2023	\$ 93,391	\$ 49,428	\$ 43,963	2023
2024	356,781	287,000	69,781	2024
2025	355,625	287,000	68,625	2025
2026	358,976	287,000	71,976	2026
2027	356,824	287,000	69,824	2027
2028	779,094	692,000	87,094	2028
2029	778,414	691,750	86,664	2029
2030	781,336	695,500	85,836	2030
2031	778,148	693,000	85,148	2031
2032	779,115	694,500	84,615	2032
2033	779,100	689,750	89,350	2033
2034	778,073	689,000	89,073	2034
2035	775,869	687,000	88,869	2035
2036	777,591	688,750	88,841	2036
2037	778,071	689,000	89,071	2037
2038	777,197	687,750	89,447	2038
2039				2039
	\$ 10,083,601	\$ 8,795,428	\$ 1,288,173	
Average Annual Savings (2024-2043)			\$82,947	
2021 Tender Success Rate			30%	
2021 Tender Par Amount			\$8,055,000	
Tender PV Savings Rate (%)			11.53%	

(1) Tender Prices are estimated as of March 10, 2023. Includes a tender premium of 2.0% based on average secondary market pricing.

(2) New debt service is based on current market rates as of March 10, 2023.

Combined Summary of Refunding Results



Special Revenue Refunding Bonds, Series 2023 & Series 2023A

***Preliminary and subject to change due to market conditions at the time of pricing.**

FYE 8/31	TENDER OFFER City of El Paso Downtown Dev Corp Special Revenue Refunding Bonds (Refunded Taxable Series 2021)			RESTRUCTURING City of El Paso Downtown Dev Corp Special Revenue Bonds (Restructured a Portion of Series 2013A)			NET AGGREGATE SAVINGS Combining the Tender Offer & Restructuring Assumes Closing in June 2023			FYE 8/31
	Prior 2021 DDC Debt Service ⁽¹⁾	New Debt Service ⁽²⁾	Annual Savings	Prior 2013A DDC Debt Service ⁽³⁾	New Debt Service ⁽²⁾	Annual Savings	2021 DDC Savings	2013A DDC Dis-savings	Net Aggregate Savings	
2023	\$ 93,391	\$ 49,428	\$ 43,963	\$ 5,331,563	\$ 42,094	\$ 5,289,468	\$ 43,963	\$ 5,289,468	\$ 5,333,431	2023
2024	356,781	287,000	69,781	-	399,419	(399,419)	69,781	(399,419)	(329,638)	2024
2025	355,625	287,000	68,625	-	401,669	(401,669)	68,625	(401,669)	(333,044)	2025
2026	358,976	287,000	71,976	-	398,419	(398,419)	71,976	(398,419)	(326,443)	2026
2027	356,824	287,000	69,824	-	399,919	(399,919)	69,824	(399,919)	(330,095)	2027
2028	779,094	692,000	87,094	-	400,919	(400,919)	87,094	(400,919)	(313,825)	2028
2029	778,414	691,750	86,664	-	401,419	(401,419)	86,664	(401,419)	(314,755)	2029
2030	781,336	695,500	85,836	-	401,419	(401,419)	85,836	(401,419)	(315,583)	2030
2031	778,148	693,000	85,148	-	400,919	(400,919)	85,148	(400,919)	(315,771)	2031
2032	779,115	694,500	84,615	-	399,919	(399,919)	84,615	(399,919)	(315,304)	2032
2033	779,100	689,750	89,350	-	403,419	(403,419)	89,350	(403,419)	(314,069)	2033
2034	778,073	689,000	89,073	-	401,169	(401,169)	89,073	(401,169)	(312,096)	2034
2035	775,869	687,000	88,869	-	398,419	(398,419)	88,869	(398,419)	(309,550)	2035
2036	777,591	688,750	88,841	-	400,169	(400,169)	88,841	(400,169)	(311,328)	2036
2037	778,071	689,000	89,071	-	401,169	(401,169)	89,071	(401,169)	(312,098)	2037
2038	777,197	687,750	89,447	-	401,419	(401,419)	89,447	(401,419)	(311,972)	2038
2039	-	-	-	-	400,919	(400,919)	-	(400,919)	(400,919)	2039
2040	-	-	-	-	402,106	(402,106)	-	(402,106)	(402,106)	2040
2041	-	-	-	-	402,656	(402,656)	-	(402,656)	(402,656)	2041
2042	-	-	-	-	402,569	(402,569)	-	(402,569)	(402,569)	2042
2043	-	-	-	-	401,844	(401,844)	-	(401,844)	(401,844)	2043
	\$ 10,083,601	\$ 8,795,428	\$ 1,288,173	\$ 5,331,563	\$ 8,061,970	\$ (2,730,407)	\$ 1,288,173	\$ (2,730,407)	\$ (1,442,234)	

(1) Tender Prices are estimated as of March 10, 2023. Includes a tender premium of 2.0% based on average secondary market pricing.

(2) New debt service is based on current market rates as of March 10, 2023.

(3) The Series 2013A DDC has \$5,170,000 currently outstanding and is due on August 15, 2023. Restructuring the debt would extend the maturity to August 15, 2043.



- ☐ **Parameter authorization will enable the sale of the Bonds at optimum timing and structure:**
 - Special Revenue Refunding Bonds, Series 2023
- ☐ **Council delegates final pricing authority to following Pricing Officer(s):**
 - City Manager/Interim City Manager
 - Chief Financial Officer
- ☐ **Council asked to approve parameters as recommended by DDC:**
 - Maximum True Interest Cost – 5.25%
 - Aggregate Not-to-Exceed Principal Amount for all bonds that can be issued under Ordinance – \$5,750,000
 - Aggregate Overall Debt Loss Maximum - \$3,950,000
 - Final Maturity Date – December 15, 2043
 - Expiration of Delegated Authority – 180 Days
- ☐ **Pricing Officer can only approve sale if all Council parameters are met.**



- ☐ **Parameter authorization will enable the sale of the Bonds at optimum timing and structure:**
 - Special Revenue Refunding Bonds, Series 2023A

- ☐ **Council delegates final pricing authority to following Pricing Officer(s):**
 - City Manager/Interim City Manager
 - Chief Financial Officer

- ☐ **Council asked to approve parameters as recommended by DDC:**
 - Maximum True Interest Cost – 5.25%
 - Minimum Present Value Savings – 3.00% (Net of any Corporation contribution)
 - Aggregate Not-to-Exceed Principal Amount for all bonds that can be issued under Ordinance – \$21,750,000
 - Final Maturity Date – December 31, 2038
 - Expiration of Delegated Authority – 180 Days

- ☐ **Pricing Officer can only approve sale if all Council parameters are met.**



- ❑ **April 12, 2023:** City Council considers selling “City of El Paso Downtown Development Corporation Special Revenue Refunding Bonds, Series 2023 & Series 2023A” (Downtown Ballpark Venue Project), through a parameter ordinance.
- ❑ **May 2, 2023:** Globic sends First Invitation to Tender to DTC.
- ❑ **May 17, 2023:** Globic sends Second Invitation to Tender to DTC.
- ❑ **May 23, 2023:** Tentative Pricing of “City of El Paso Downtown Development Corporation Special Revenue Refunding Bonds, Series 2023 & 2023A”
- ❑ **June 13, 2023:** Tentative Closing of “City of El Paso Downtown Development Corporation Special Revenue Refunding Bonds, Series 2023 & 2023A”



QUESTIONS & ANSWERS