Presentation to the City of Houston
Budget and Fiscal Affairs Committee

Upcoming Financial Transactions

July 30th 2013

Presented By:
Kelly Dowe, Finance Director
Jennifer Olenick, Assistant Director
Agenda

- General Obligation (GO)
  - Qualified Energy Conservation Bonds
- Houston Airport System (HAS)
  - Special Facilities Revenue Refunding Bonds
- Convention and Entertainment Facilities (CEF)
  - Multi-Advancing Private Placement

* This presentation constitutes the written recommendation of the Finance Working Group.
In 2008, Congress authorized the issuance of Qualified Energy Conservation Bonds (QECBs) to finance qualified energy conservation projects.

The State of Texas was allocated a total $252 million in capacity, of which $23 million was further allocated to the City of Houston.

The QECB’s currently provide low cost financing with interest rates from approximately 0.25% to 1.25% to fund these qualified projects.
• The Finance Working Group is evaluating responses to a request for proposal to purchase up to $23 million of QECBs.

• The City anticipates funding approximately $8 million for Library Energy Efficiency Projects (E-000164), as listed in the current CIP.

• Additional tranches, up to the $23 million, can be utilized to fund qualifying projects in the current CIP as they are identified.

• An RCA will be presented to City Council in mid to late August.
The City has identified approximately $304.5 million of Series 2001 Special Facilities Revenue Bonds (United Airlines, Inc. Terminal E Project) that are currently callable at attractive present value savings.

The City is not pledged to repay associated debt, under the lease agreement, United Airlines lease payments are pledged to repay the debt obligation.

The refunding will not provide a direct benefit to the City, but will provide a reduction in lease cost to United Airlines.

An RCA will be presented to City Council in mid to late August.
CEF Multi-Advancing Private Placement

- The current liquidity facility for the Convention and Entertainment Facilities Department is set to expire on December 19th 2013.

- The City has examined potential alternative financial instruments to be used for the same purposes.

- The proposed replacement structure is a $75 million, five year direct placement.

- An RCA will be presented to City Council in mid September.
Finance Department

Questions?