

**CITY OF SAN ANTONIO
INTERDEPARTMENTAL MEMORANDUM
FINANCE DEPARTMENT**

TO: Mayor and City Council

FROM: Milo Nitschke, Director, Finance Department

THROUGH: Terry M. Brechtel, City Manager

COPIES: Melissa Byrne Vossmer, Assistant City Manager; City Attorney's Office; City Clerk; File

SUBJECT: Authorizing the defeasance and redemption of a portion of the City's outstanding Parking System Revenue Bonds, Series 2000

DATE: April 29, 2004

SUMMARY AND RECOMMENDATIONS

This ordinance authorizes the defeasance and redemption of a portion of the City's outstanding Parking System Revenue Bonds, Series 2000; authorizes the execution of an escrow agreement and other documents related thereto; and authorizes the use of certain available proceeds from such bonds to accomplish such defeasance.

Staff recommends approval of this Ordinance.

BACKGROUND INFORMATION

On April 13, 2000, the City sold \$24,845,000 Tax-Exempt City of San Antonio, Texas Parking Revenue Bonds, Series 2000 (the "Series 2000 Bonds") to provide funds to finance the construction of parking garages, renovation of certain existing facilities, signage and to pay the costs of issuance of the bonds.

The City is considering using existing cash in the construction fund to effectuate a legal in-substance cash defeasance of the portion of the Series 2000 Bonds applicable to renovation and signage improvements. The defeasance of these bonds will remove the private activity restrictions pertaining to contracting parking spaces to private entities and will provide the City with more flexibility to enter long-term parking contracts with private businesses. Our analysis shows that utilizing approximately \$2,350,000 from available cash can defease approximately \$2,750,000 of the Series 2000 Bonds.

POLICY ANALYSIS

The aforementioned transaction is consistent with the Debt Management Plan.

FISCAL IMPACT


These funds will be deposited into an interest earning escrow sufficient to pay principal and interest on the defeased bonds.

SUPPLEMENTAL COMMENTS

The disclosures required by the City's Ethics Ordinance are not applicable.

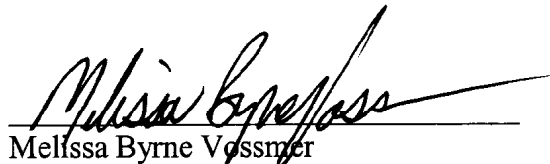
COORDINATION

This action was coordinated with the City Manager's Office, City Attorney's Office, the Departments of Finance and Public Works and the City's Co-Financial Advisors and Co-Bond Counsel.

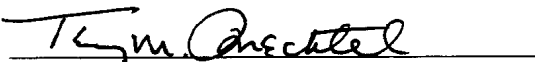


Milo D. Nitschke
Director, Finance Department

Approved:



Melissa Byrne Vossmer
Assistant City Manager



Terry M. Brechtel
City Manager