Financing Your Project

LGRV 20th Annual Water Quality Management & Planning Conference

Presentation Overview

Election-Based Obligations

No Election Required

PID Bonds

The Financing Team

Gregory Miller, Associate
(512) 472-8021
gmiller@bickerstaff.com
Types of Financing and Their Processes

WHAT IS A BOND?
For the purposes of this discussion, the term "bonds" refers to any of the forms of public debt described.
General Obligation Bonds Must be Approved in an Election

These are typically for the more costly projects which are of interest to the entire population, or which are politically sensitive.
Not All Bonds Require Voter Approval

For Example:

- Certificates of Obligation
- Tax Notes
- Public Improvement District Bonds
Public Improvement Districts

- These districts are becoming more common.
- Can be used to finance a range of water, wastewater, and stormwater projects
Like the Design and Construction of any Worthwhile Public Works Project...

The use of bonds to finance a stormwater project involves an entire team of professionals.
Financing Your Project
LGRV 20th Annual Water Quality Management & Planning Conference

Presentation Overview

Election-Based Obligations

No Election Required

PID Bonds

The Financing Team

Gregory Miller, Associate
(512) 472-8021
gmiller@bickerstaff.com

Bickerstaff
Heath Delgado Acosta LLP
General Obligation Bonds

- Backed by the full faith and credit of the Issuer (City or County).
- Require approval by the voters.
- Used for large and/or politically sensitive projects.
KEY FEATURES OF G.O. BONDS

• Must be able to provide meaningful description of project to voters before election.

• Repayment is secured by ad valorem taxes

• The debt must be repayable within 40 years
Financing Your Project
LGRV 20th Annual Water Quality Management & Planning Conference

Presentation Overview
Election-Based Obligations
No Election Required
PID Bonds
The Financing Team

Gregory Miller, Associate
(512) 472-8021
gmiller@bickerstaff.com
Bickerstaff Heath Delgado Acosta LLP
Not All Bonds Require Voter Approval

- Certificates of Obligation (Cities and Counties)
- Tax Notes (Counties)
- PID Bonds
Key Features of Non-G.O. Bonds

- Voter approval not required
- Can be backed by taxes, revenues, or both
- Certificates of Obligation cannot be issued within three years of a failed bond measure
- Certificates of Obligation require a Notice of Intent
Financing Your Project

LGRV 20th Annual Water Quality Management & Planning Conference

- Presentation Overview
- Election-Based Obligations
- No Election Required
- PID Bonds
- The Financing Team

Gregory Miller, Associate
(512) 472-8021
gmiller@bickerstaff.com

Bickerstaff
Heath Delgado Acosta LLP
Public Improvement Districts

A PID is a financing tool that uses assessments levied against the properties in a defined area to pay for improvements directly, or by repaying bonds issued to pay for those improvements.
What Makes PID Financing Unique?

- The use of PIDs is becoming more common
- Developers like it because it offers inexpensive financing
- Cities like it because they have leverage for demanding policy preferences
- No separate board of control
- Expires with the repayment of the bonds
Financing Your Project

LGRV 20th Annual Water Quality Management & Planning Conference

Presentation Overview
Election-Based Obligations
No Election Required
PID Bonds
The Financing Team

Gregory Miller, Associate
(512) 472-8021
gmiller@bickerstaff.com

Bickerstaff Heath Delgado Acosta LLP
The Financing Team

Bond Counsel - Outside attorney who assists with issuance
Financial Advisor - Provides guidance on selecting right type of security
Underwriter - Facilitates the sale of the bonds
Purchaser - Syndicates and/or Banks
Paying Agent - Handles closing and payments
Rating Agencies, Insurers - enhance creditworthiness
Attorney General - Review, approve, register
Comptroller - Review, approve, register
IRS - Regulate tax-exemption
SEC - Regulate marketing
Financing Your Project
LGRV 20th Annual Water Quality Management & Planning Conference

Presentation Overview
Election-Based Obligations
No Election Required
PID Bonds
The Financing Team

Gregory Miller, Associate
(512) 472-8021
gmiller@bickerstaff.com
Bickerstaff
Heath Delgado Acosta LLP