

# Memorandum



CITY OF DALLAS

DATE May 5, 2023

TO Honorable Mayor and Members of the City Council

SUBJECT **General Obligation Refunding and Improvement Bonds, Series 2023 and Certificates of Obligation, Series 2023 – Underwriter Selection**

On April 12, 2023, City Council authorized the issuance of City of Dallas, Texas, General Obligation Refunding and Improvement Bonds, Series 2023 and Combination Tax and Revenue Certificates of Obligation, Series 2023 (collectively, the “Bonds”), in an aggregate principal amount not to exceed \$455,880,000, for the purpose of funding capital improvements, refunding outstanding debt obligations for savings, and repairing structural damage to the City. While the City maintains a favorable credit profile, the City’s Co-Financial Advisors, PFM Financial Advisors LLC (PFM), recommend the issuance of the Bonds via a negotiated sale in the current market.

Since 2020, the City has maintained a pool of 32 qualified underwriter firms for negotiated bond financings. On April 20, 2023, the City issued a Request for Proposals for General Obligation Financing Debt Underwriting from the pool of qualified firms and received 23 proposals in response. The underwriting syndicate has been selected based on factors including firm’s experience, proposed structure, and marketing of the Bonds. Underwriters are compensated through an underwriting spread obtained when pricing the bonds.

To accommodate this transaction, PFM recommend a syndicate of five underwriting firms; inclusive of a mix of national and regional firms and two Minority/Women-owned Business Enterprises (M/WBE) firms. Following review of the proposals, the City plans to use an underwriting syndicate team comprised of Academy Securities Inc. (M/WBE and veteran owned); Barclays; J.P. Morgan Securities LLC; Loop Capital Markets LLC (M/WBE); and Robert W. Baird & Co. Inc. J.P. Morgan Securities LLC will be the Bookrunning Senior Manager and Loop Capital Markets LLC will serve as the Co-Senior Manager. Payment of fees and expenses is contingent upon the issuance and sale of the Bonds which is scheduled for May 9, 2023.

Please let me know if you need additional information.

A handwritten signature in blue ink that reads "Jack Ireland".

Jack Ireland  
Chief Financial Officer

c: T.C. Broadnax, City Manager  
Tammy Palomino, Interim City Attorney  
Mark Swann, City Auditor  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizzor Tolbert, Deputy City Manager

Jon Fortune, Deputy City Manager  
Majed A. Al-Ghafry, Assistant City Manager  
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager  
Robert Perez, Assistant City Manager  
Carl Simpson, Assistant City Manager  
Genesis D. Gavino, Chief of Staff to the City Manager  
Directors and Assistant Directors