



Finance Department

Presentation to the City of Houston Budget and Fiscal Affairs Committee

Upcoming Financial Transactions

October 1, 2024

Presented By:
Melissa Dubowski – Finance Director



Agenda

- Harris County – Houston Sports Authority Revenue Refunding Bonds



Harris County – Houston Sports Authority Revenue Refunding Bonds

Background:

- The Harris County-Houston Sports Authority (the “Authority”) was created jointly by the City of Houston (the “City”) and Harris County (the “County”) for the purpose of financing and developing venues for Houston’s professional sports teams, including the Astros, Texans and Rockets, and the Houston Rodeo. The primary method of financing for the sports venues includes the existing hotel occupancy and motor vehicle rental taxes (“HOT/MVRT taxes”) imposed by the Authority in 1997. With the approval of the City and the County, the Authority (i) issued bonds and other obligations for the financing of Minute Maid Park in 1998, NRG Stadium and Toyota Center in 2001 and 2002, (ii) issued refunding bonds in 2014 and (iii) issued refunding bonds in 2020 (collectively, the “Venue District Obligations”).
- The Authority has \$353 million of debt supported primarily by hotel occupancy taxes and motor vehicle rental taxes that is eligible for refinancing beginning 11/15/2024.
 - Accordingly, the Authority is seeking to refinance the \$353 million in debt service (principal plus interest accrued interest), to generate significant present value savings.



Harris County – Houston Sports Authority Revenue Refunding Bonds

Background:

- Authority debt is not an obligation of the City, but in order to refinance these bonds the Authority needs approvals from the City and Harris County, like its previous issuances.
- This proposed refinancing will reduce interest rate by nearly 1.00% and will create lower annual debt service. The refinancing is expected to have Net PV savings of approximately \$22 million.

Next Steps:

- An RCA is being brought to Council on October 2, 2024.
- Pricing is preliminarily scheduled for late October.
- Closing is preliminarily scheduled for mid-November.



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Questions?