

C 09/05/17 RAISING OF EXTERNAL DEBT: MUNICIPAL GREEN BOND ISSUE**RESOLVED that:**

- (a) under the Cape Town's R7 billion Domestic Medium Term Note Programme, the City issue its fourth municipal bond to be listed on the Johannesburg Stock Exchange of South Africa on the following terms and conditions:
- (i) the amount of the bond shall not exceed R1 billion;
 - (ii) the purpose of the bond is to finance accredited green projects;
 - (iii) the date of issue shall be in July 2017, or later date depending on prevailing market conditions;
 - (iv) the term of the bond shall be between 10 and 15 years and will be determined by investor demand at the time of issue;
 - (v) the effective interest rate on the bond shall be the rate of the RSA Government R186 (10 years) or R2032 (15 years) bond ruling at the date of issue plus a bond spread determined by investor demand at the time of issue;
 - (vi) the indicative coupon rates of the bond which is currently 10.74% - 11.68% for 10 and 15 year periods;
 - (vii) the bond shall be allotted for registered fund managers and banks on a single price book-build auction basis, at a clearing spread to be agreed by the Chief Financial Officer;
 - (viii) the capital amount of the bond will be repaid semi-annually on a straight line basis over 10 to 15 years depending on the term of the bond;
 - (ix) interest on the bond will be paid semi-annually;
 - (x) the bond shall be unsecured.
- (b) the public information statement relating to the proposed debt, and the responses thereto, together with the anticipated debt repayment schedules and the anticipated total cost of the debt over the repayment period, in

compliance with the section 46(3)(b) of the Local Government: Municipal Finance Management Act, 2003, be noted

- (c) the City Manager and the Chief Financial Officer be authorised to sign all documentation necessary for the listing of the bond on the Johannesburg Stock Exchange.

ACTION : D VALENTINE, K JACOBY, A EBRAHIM