



City of League City, TX

300 West Walker
League City TX 77573

Text File

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Title

Consider and take action on a resolution consenting to the sale and issuance of Unlimited Tax Refunding Bonds, Series 2016 for the Galveston County Municipal Utility District Number 46 in an amount not to exceed \$7,300,000 (Assistant City Manager)

..Background:

Approval of this item will authorize the Galveston County Municipal Utility District Number 46 (Mar Bella) to issue refunding bonds that will save \$748,450 over the remaining term of the refunded bonds.

On May 3, 2016, the Board of the MUD authorized the District's consultants to proceed with the preparation of the various documents related to the issuance of a proposed refunding bond issue. To accomodate potential market fluctuations, the Board is requesting approval of the sale of Unlimited Tax Refunding Bonds, Series 2016 in an amount not to exceed \$7,300,000. The bond constitutes the second series of refunding bonds to be sold by the District.

The bonds are to be used to advance refund and defease portions of the District's Unlimited Tax Bonds, Series 2010, Unlimited Tax Bonds, Series 2010A and Unlimited Tax Bonds, Series 2011. The proposed bonds are structured with the same maturity schedule as the bonds being refunded (through Fiscal Year 2037), so there will be no extension of the debt. The financing, as projected on April 26 2016, will provide a 8.58% in present value savings (\$531,636) and \$748,450 of gross savings, after all issuance costs. The District's 2016 Preliminary Taxable Assessed Valuation as provided by the Galveston Central Appraisal District is \$307,792,151, and their 2015 tax rate is \$0.98 per \$100 assessed valuation.

Under the terms of the Utility Agreement between the District and the City, bonds may be sold by the District only with the approval of the City Council. The terms and conditions of the bonds are in compliance with the Utility Agreement.

Attachments

1. Data Sheet
2. Proposed Resolution
3. Letter from First Southwest
4. Refunding Analysis
5. Utility Agreement
6. Map

FUNDING

{X } NOT APPLICABLE