



Legislation Text

File #: 16-1356, **Version:** 1

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 44 in an amount not to exceed \$4,000,000 (Assistant City Manager)

Approval of this item will authorize the Galveston County Municipal Utility District Number 44 (Tuscan Lakes) to issue refunding bonds that will save \$772,840 in future debt service payments over the remaining term of the refunded bonds.

On October 4, 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 accommodate potential market fluctuations, the Board is requesting approval of the sale of Combination Unlimited Tax & Revenue Refunding Bonds, Series 2016 in an amount not to exceed \$4,000,000.

The bonds are to be used to currently refund and defease portions of the District's Combination Unlimited Tax & Revenue Bonds, Series 2009. The proposed bonds are structured with the same maturity schedule as the bonds being refunded (through Fiscal Year 2039), so there will be no extension of the debt. The financing, as projected on October 4, 2016, will provide a 17.5% net present value savings (\$550,075) and \$772,840 of gross savings, after all issuance costs. The District's 2016 Certified Taxable Assessed Valuation as provided by the Galveston Central Appraisal District is \$155,041,488, and their 2016 tax rate is \$0.80 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 RBC Capital Markets
4. Refunding Analysis
5. Utility Agreement
6. Amendment #1 to Utility Agreement
7. Map

FUNDING

{X } NOT APPLICABLE