



Legislation Text

File #: 17-0676, **Version:** 1

Consider and take action on a resolution consenting to the sale and issuance of Unlimited Tax Bonds, Series 2017 for the Galveston County Management District No. 1 in an amount not to exceed \$3,305,000 and authorizing the Mayor to execute and the City Secretary to attest same for and on behalf of the City of League City (Interim Director of Finance)

Approval of this item will authorize the sale of bonds to retire a 2016 Bond Anticipation Note (BAN) that replaced a 2015 BAN that matured in December of 2016. The 2015 BAN paid the costs for a Texas Department of Transportation ramp reversal project, as well as right-of-way acquisition in connection with the Brookport Agreement between the City and the District. No new projects are being proposed for funding in this issuance. The Board of Directors of the Galveston County Management District No. 1 met on October 25, 2017 and authorized the District's consultants to proceed with the preparation of the documents related to the issuance of a proposed Bond sale. The Board is requesting approval of the sale of Unlimited Tax Bonds, Series 2017 in the amount of \$3,305,000.

The purpose of the bond issue is to 1) redeem the District's Bond Anticipation Note, the proceeds of which were used to reimburse the District's Developer for certain road related facility cost to service the District, 2) fund approximately 18 months of capitalized interest on the Bonds, and 3) pay costs related to the issuance of the bonds. The District's 2017 tax rate is \$0.90 per \$100 assessed valuation. Since this will be the District's first bond issue, the \$0.90 tax rate is entirely composed of maintenance and operations. It is anticipated that the issuance of the Bonds will result in no increase to the District's tax rate for the 2017 tax year and presently, the Board has no plans to raise the rate beyond the current \$0.90. The District's assessed valuation as of January 1, 2017, as certified by the Galveston Central Appraisal District is \$40,406,040.

Section 375.207 of the Local Government Code states that the District must obtain the approval of the governing body of the municipality in which it is located before those bonds may be issued. Section 3841.161 of the Special District Local Laws Code states that except as provided be Section 375.263, Local Government Code (dissolution of District), the City of League City is not required to pay a bond, note, or other obligation of the district.

ATTACHMENTS

1. Data Sheet
2. Proposed Resolution
3. Letter from the GMS Group
4. Proposed Debt Service Schedule
5. Cash Flow Analysis
6. Project Map
7. Brookport Drive Agreement
8. Independent Accountants Report
9. Use of Bond Proceeds

FUNDING

{X } NOT APPLICABLE

{ } Funds are available from Account # _____

{ } Requires Budget Amendment to transfer from Account # _____ to Account # _____