



Legislation Text

File #: 17-0707, **Version:** 1

Consider and take action on a resolution consenting to the sale and issuance of Unlimited Tax bonds, Series 2018 for the Galveston County Municipal Utility District No. 14 in an amount not to exceed \$2,050,000 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 reimburse the developer for utility improvements in Bay Colony. The Board of Directors of the Galveston County Municipal District No. 14 (Bay Colony) met on February 27, 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 2018 in the amount of \$2,050,000. The bond constitutes the eighth series of bonds to be sold by the district.

This item was previously approved by the City Council on August 8, 2017. The District delayed issuing the bonds until it could assess the impact from Hurricane Harvey. Due to this delay, the District is proposing to sell the Bonds on December 18, 2017 and issue the Bonds on January 24, 2018. This item is being brought forward for re-approval as a Series 2018 issue since it was previously approved as a Series 2017 issue scheduled for issuance in 2017.

The purpose of the bond issue is to reimburse the developer for the construction of underground utilities pursuant to an agreement between the District and the developer. The bonds are structured with the same maturity schedule as their current debt service needs, so there will be no extension of the term of the debt. The District's 2017 tax rate did not increase from 2016 and remains at \$0.69 per \$100 assessed valuation. The \$0.69 rate is composed of \$0.64 for debt service and \$0.05 for maintenance and operations. The district's taxable value as of January 1, 2017, as certified by the Galveston County Appraisal District is \$261,408,629 and the Estimated Taxable Assessed Valuation as of September 15, 2017 (after Hurricane Harvey) is \$260,460,810.

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. Resoution 2017-125
5. Engineering Report - Summary of Costs
6. Cash Flow Analysis
7. Board Order
8. TCEQ Order
9. Utility Agreement
10. Map

FUNDING

{ x } NOT APPLICABLE