



## Legislation Text

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**File #:** 17-0744, **Version:** 1

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Consider and take action on a resolution waiving the bond issue minimum on a one-time basis and consenting to the sale and issuance of Unlimited Tax Bonds, Series 2017 and Unlimited Tax Park Bonds, Series 2017A for the Galveston County Municipal Utility District #46 in amounts not to exceed \$2,545,000 and \$1,485,000, respectively, 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 costs related to water, sewer, & drainage facilities and parks & recreational facilities in the Mar Bella development. The Board of the Galveston County MUD #46 (Mar Bella) authorized the District's consultants to proceed with the preparation of the various 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 an amount not to exceed \$2,545,000. This bond constitutes the tenth series of unlimited tax bonds to be sold by the District. The board is also requesting approval of the sale of Unlimited Tax Park Bonds, Series 2017A in an amount not to exceed \$1,485,000. This bond constitutes the second series of bonds for park and recreational facilities to be sold by the District.

The purpose of the bond issue is to reimburse the developer for improvements in the Mar Bella development. These improvements include water distribution, wastewater collections, and drainage for Mar Bella Sections 15A, 15B, 16B, and 16C. In addition to water, wastewater and drainage, the improvements include a portion of the costs for Mar Bella sitework, planting and Irrigation Phase 1. Also included are the cost of capital recovery fees, engineering, geotechnical, landscape design fees, surveying, and storm water pollution prevention planning.

This reimbursement is 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 is levying a total 2017 tax rate of \$0.93 per \$100 assessed valuation.

The tax rate is composed of \$0.85 for debt service and \$0.08 for maintenance and operations. The District's 2017 taxable assessed valuation as of January 1, 2017 and estimated taxable assessed valuation as of October 1, 2017, as provided by the Galveston Central Appraisal District is \$357,823,814 (\$340,910,459 of certified value and \$16,913,355 of uncertified value) and \$371,906,063, respectively. The District's outstanding direct debt assuming issuance of the Bonds will be \$39,925,000. The ratios of outstanding direct debt to 2017 taxable assessed valuation as of January 1, 2017 and estimated taxable assessed valuation as of October 1, 2017 are 11.16% and 10.74%, respectively. There is no tax rebate associated with the District.

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 bond are in compliance with the Utility Agreement.

### Attachments:

1. Data Sheet
2. Proposed Resolution
3. Letter from First Southwest
4. TCEQ Report
5. Proposed Debt Schedule
6. Utility Agreement
7. Map

FUNDING

☒ NOT APPLICABLE

☐ Funds are available from Account # \_\_\_\_\_

☐ Requires Budget Amendment to transfer from Account # \_\_\_\_\_ to Account # \_\_\_\_\_