



Legislation Text

File #: 18-0160, **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. 44 in an amount not to exceed \$3,650,000 and authorizing the Mayor to execute and the City Secretary to attest same for and on behalf of the City of League City (Director of Finance)

Approval of this item will authorize the sale of bonds to reimburse the developer for utility improvements in the Tuscan Lakes development. The Board of Directors of the Galveston County Municipal District No. 44 (Tuscan Lakes) met on April 3, 2018 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 \$3,650,000. The bond constitutes the sixth series of bonds to be sold by the District.

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 is \$0.80 per \$100 assessed valuation. The \$0.80 tax rate is composed of \$0.67 for debt service and \$0.13 for 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. The District's taxable value as of January 1, 2017, as certified by the Galveston Central Appraisal District is \$191,632,798. With the issuance of the Series 2018 Bonds, the District will have outstanding \$17,415,000 in direct debt. This is 9.09% of the January 1, 2017 Certified Assessed Valuation of \$191,632,798.

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
4. Engineering Report
5. Summary of Costs
6. Proposed Debt Service Schedule
7. Capacity Analysis
8. TCEQ Order
9. Utility Agreement
10. Utility Agreement-1st amendment
11. Map

FUNDING

{ x } NOT APPLICABLE

{ } Funds are available from Account # _____

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