



Legislation Text

File #: 19-0618, **Version:** 1

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 2019A and Unlimited Tax Park Bonds, Series 2019B, for the Galveston County Municipal Utility District #46 in amounts not to exceed \$3,500,000 and \$800,000, respectively, and authorizing the Mayor to execute and the City Secretary to attest same for and on behalf of the City of League City (Director of Finance)

Approval of this item will authorize the sale of bonds to reimburse the developer for costs related to water, sewer and drainage facilities, and parks and recreational facilities. The board is requesting approval of the sale of Unlimited Tax Bonds, Series 2019A and Unlimited Tax Park Bonds, Series 2019B in amounts not to exceed \$3,500,000 and \$800,000, respectively. The District is requesting a variance from Section 6.06(3) of the Utility Agreement which states that bonds shall be issued in series with a minimum limit on each series of bonds being \$2,500,000. The Series 2019B Park Bonds are sized to comply with The Texas Water Code, Chapter 49, Section 4645, which limits the principal amount of park bonds, including outstanding park bonds, to one percent (1%) of the taxable value of the District at the time of the sale.

The purpose of Bond Issue No. 12 is to fully reimburse the developer for construction of water, sanitary sewer, and drainage facilities to serve Mar Bella Section 14 A; construction of water, sanitary sewer, and drainage facilities to serve Mar Bella Section 14 B; Lake B Slope Repair; Lake C Slope Repair; Lake D Slope Repair; Lake E Slope Repair; 74 City of League City Capital Recovery Fees (CRFs); and Mar Bella Landscape and Irrigation Phase 1. This bond issue also reallocates surplus funds for water, sanitary sewer and drainage facility reimbursement.

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. It is anticipated that the issuance of the Bonds will result in no increase to the District's current tax rate, which is \$0.85 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 bond are in compliance with the Utility Agreement.

Attachments:

1. Data Sheet
2. Proposed Resolution
3. Request for Approval Letter
4. Bond Application Report
5. Utility Agreement
6. Cash Flow analysis
7. Engineer certification of compliance
8. MUD 46 Board President compliance attestation
9. Map

FUNDING

{X} NOT APPLICABLE

STRATEGIC PLANNING

{X} NOT APPLICABLE