

Legislation Details (With Text)

File #: 21-1178 **Name:**

Type: Ordinance **Status:** Passed

File created: 10/27/2021 **In control:** City Council

On agenda: 11/8/2021 **Final action:** 11/8/2021

Title: Discuss and Consider approval of an Ordinance Authorizing The Issuance Of The "City Of New Braunfels, Texas Special Assessment Revenue Bonds, Series 2021 (Solms Landing Public Improvement District Improvement Area #1 Project)"; Approving And Authorizing An Indenture Of Trust, A Bond Purchase Agreement, An Offering Memorandum, A Continuing Disclosure Agreement, A Landowner Agreement And Other Agreements And Documents In Connection Therewith; Making Findings With Respect To The Issuance Of Such Bonds; And Providing An Effective Date

Sponsors:

Indexes:

Code sections:

Attachments: 1. 11821 Bond Ordinance, 2. 11821 Solms Landing PID Trust Indenture, 3. 11821 New Braunfels Solms Landing PID IA1 2019 - BPA (IA1 2021), 4. 11821 Landowner Agreement, 5. 11821 New Braunfels Solms Landing PID 2021 - Issuer CDA

Date	Ver.	Action By	Action	Result
11/8/2021	1	City Council	approved	Pass

PRESENTER:

Jared Werner, Chief Financial Officer

SUBJECT:

Discuss and Consider approval of an Ordinance Authorizing The Issuance Of The "City Of New Braunfels, Texas Special Assessment Revenue Bonds, Series 2021 (Solms Landing Public Improvement District Improvement Area #1 Project)"; Approving And Authorizing An Indenture Of Trust, A Bond Purchase Agreement, An Offering Memorandum, A Continuing Disclosure Agreement, A Landowner Agreement And Other Agreements And Documents In Connection Therewith; Making Findings With Respect To The Issuance Of Such Bonds; And Providing An Effective Date

DEPARTMENT: Finance

COUNCIL DISTRICTS IMPACTED: 5

BACKGROUND INFORMATION:

The attached ordinance authorizes the issuance and sale of the City of New Braunfels, Texas Special Assessment Revenue Bonds, Series 2021 (Solms Landing Public Improvement District Improvement Area #1 Project).

As discussed in previous meetings, these bonds will be utilized to reimburse the developer for eligible improvements within the first phase of the Solms Landing development. The issuance will be for an amount not

to exceed \$9.0 million and will be supported entirely paid by assessments levied on properties within the development.

PID bonds will never constitute an indebtedness or general obligation of the City but are special obligation of the City payable solely from the assessments on each property owner. Repayment of the bonds is contingent on owners of land within the PID to make annual installment payments to generate assessment revenue. Once again, the City has no legal or moral obligation to repay the bonds from any other source other than the pledged revenues.

Unlike traditional general obligation bonds, the City will not receive the proceeds of the PID Bond Issuance or receive interest income. The proceeds will instead be held by UMB Bank, per the attached Indenture of Trust. The City's PID administrator, P3Works will be responsible for coordinating with City, Trustee and developer to ensure that disbursements are administered in accordance with the various documents between the City and developer.

ISSUE:

N/A

FISCAL IMPACT:

As mentioned earlier, the assessments on the PID bonds will be supported entirely by the assessments levied on the properties within the Solms Landing development. The City will have no legal or moral responsibility to pledge any revenue against the bonds with the exceptions of the assessments.

RECOMMENDATION:

Staff recommends approval