

Legislation Text

File #: 22-594, **Version:** 2

PRESENTER:

Jeff Jewell, Director, Economic and Community Development

SUBJECT:

Discuss and consider a resolution consenting to the issuance of unlimited tax road bonds by Comal County Water Improvement District No. 1A, a Water Improvement District located within the extraterritorial jurisdiction of the City of New Braunfels.

DEPARTMENT: Economic and Community Development

COUNCIL DISTRICTS IMPACTED: N/A

BACKGROUND INFORMATION:

The Development Agreement (“the Agreement”) between the City of New Braunfels and Word-Borchers Ranch Joint Venture (“Veramendi”) authorizes up to \$620 million in debt for eligible, designated purposes. In the summer of 2022, the Water Improvement District (“WID”) will market and intends to sell up to \$5 million in unlimited tax bonds to provide reimbursements to the developer for eligible costs associated with the project. The bonds will be paid for by tax revenues secured by approximately \$215.8 million in taxable assessed valuation within the boundaries of the WID. These are preliminarily assessed valuations as of February 15, 2022. To date, the District has issued \$16.05 million in bonds since inception.

Section 8 of the Agreement outlines the requirements for the District (and subdistricts) and indebtedness, as well as the obligations of the District to the City. The District has underwritten the bonds at an estimated interest rate of 450 basis points..

ISSUE:

The proposed issuance reimburses the developer for eligible public improvements as shown in the Bond Issue Summary Table

FISCAL IMPACT:

No fiscal impact to the City of New Braunfels since the bonds are secured by property tax revenue paid from property owners within the boundaries of the WID.

RECOMMENDATION:

Staff has determined that the offering statements and supporting documentation conforms with the requirements of the Agreement. Staff recommends approval of the resolution.