



City of Pflugerville

Legislation Text

File #: RES-1089, **Version:** 1

Discuss and consider approving a resolution authorizing the publication of notice of intention to issue combination tax and limited revenue certificates of obligation, in an estimated amount not to exceed \$153 million for public improvements related to the Downtown East Project, designating certain self-supporting debt and other matters related thereto.

This item authorizes the publication of a notice to begin the process of issuing Certificates of Obligation (C/Os). If approved, the notice will be initially published on April 5, 2023 notifying the public that the City intends to issue C/Os. The proposed issuance of Certificates of Obligation will be used to fund capital improvement projects with total amount not to exceed \$153M for the purposes of funding public improvements related to Downtown East as described in the notice. Such public improvements for the creation of a municipal complex to include a portion of the new Recreation Center, City Hall and supportive infrastructure related to the development of Downtown East.

The amount for the C/O issuance was generated based on estimates for cost of construction for a Recreation Center, City Hall and the City's estimated portion of the cost for public infrastructure for the project that includes construction of Main Street, utilities and parking associated with the Downtown East development. The balance of the cost of infrastructure will be provided by the master developer for the Downtown East project.

By approving this resolution, the City is not required at this point to issue the C/Os. However, if issued, the total amount cannot exceed \$153 million, as stated in the attached resolution. This amount includes all project and bond issuance costs.

Estimated Tax Supported Debt: \$86.8M

Estimated Self Supported Debt (including TIRZ funded projects): \$66.2

In July 2022, City Council approved a resolution with the estimated amount of tax supported C/Os being \$71.8M which would equate to a maximum monthly increase of \$3.38 per \$100,000 valuation. As the City continues to work through the details of the project, the estimated amount of tax supported C/Os is \$86.8M which is currently projected to be an estimated maximum monthly increase of \$3.54 per \$100,000 valuation. Tax supported C/Os are needed to fund public safety components of City Hall, parking and infrastructure.

Assisting the City on this item are Dusty Traylor, of RBC Capital Markets, works with the City as the financial advisor for this transaction and Richard Donoghue, of McCall, Parkhurst, and Horton, works with the City as bond counsel.

Prior City Council Action

City Council called a November 3, 2020 bond election for three propositions totaling \$191.3 million at the August 11, 2020 meeting which included \$47.3M for a new multi-generation recreation center. City Council approved a resolution on July 26, 2022 for the consideration of C/Os in support of the

Downtown East project, including funding supported by Pflugerville Community Development Corporation (PCDC).

City Council approved the selection of GriffinSwinerton/Catellus on January 10, 2023 as the master developer for Downtown East with the anticipation of establishing the necessary agreements to enter into a Public Private Partnership (P3) that will establish cost sharing opportunities for the development of Downtown East.

Deadline for City Council Action

Action is requested on March 28, 2023

Funding Expected: Revenue ___ Expenditure _X_ N/A ___

Budgeted Item: Yes ___ No ___ N/A ___

Amount: _____

1295 Form Required? Yes ___ No _X_

Legal Review Required: N/A ___ Required _X_ Date Completed: March 23, 2023

Supporting documents attached:

Resolution

Recommended Action

Motion to approve as presented.