



City of Pflugerville

Legislation Text

File #: ORD-0720, Version: 1

Conduct a public hearing and approve an ordinance on first and final reading authorizing the issuance of City of Pflugerville, Texas Combination Tax and Limited Revenue Certificates of Obligation, Series 2023 in an amount not to exceed \$153 million; Authorizing the levy of an ad valorem tax and the pledge of certain net revenues in support of the certificates; Approving an official statement, a purchase agreement and a paying agenda/registrar agreement; and authorizing other matters related to the certificates. (Downtown East public improvements)

This item authorizes the issuance of Certificates of Obligation (C/Os). The proposed issuance of C/Os will be used to fund capital improvement projects with total amount of \$153M for the purposes of funding public improvements related to Downtown East as described in the notice provided in April. 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. Included within the C/Os:

Estimated Tax Supported Debt: \$86.8M

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

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 related to Downtown East.

In July 2022, City Council passed a resolution outlining options for funding for the Downtown East project. One of those options included a budget allocation from PCDC in support of the project. As the Downtown East project progressed over the past 12 months a gap in funding was identified related to the new multi generation recreation center (MGRC). The MGRC has a funding allocation from the 2020 General Bond election of \$47.3M however, due to construction escalation, a gap of \$31.5M in funding, required to deliver the recreation center desired by the community, was identified. Section 19 of the ordinance includes a self support debt agreement with PCDC, that facilitates the budgeting by PCDC to allocate on an annual basis, the revenue required to support the bonding of \$31.5M required for the project plus the interest payments on the debt, for a total amount not to exceed \$50M. PCDC Board approved this agreement at their meeting on May 17, 2023.

The blanks in the ordinance attached to this item, are related to the final pricing terms of the C/Os which when pricing is completed on May 23rd prior to the meeting.

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.

City Council approved the publication of the notice of intention to issue combination tax and limited revenue certificates of obligation on March 28, 2023.

Deadline for City Council Action

Action is requested on May 23, 2023

Funding Expected: Revenue Expenditure N/A

Budgeted Item: Yes No N/A

Amount: \$153M

1295 Form Required? Yes No

Legal Review Required: N/A Required Date Completed: May 19, 2023

Supporting documents attached:

Ordinance

Recommended Action

Conduct a public hearing

Motion to approve the ordinance on first reading as presented.