



Legislation Text

File #: Ord. 2021-09, **Version:** 1

AGENDA CAPTION:

Consider approval of Ordinance 2021-09, authorizing the issuance and sale of \$8,700,000 of Combination Tax and Revenue Certificates of Obligation, Series 2021 for (1) constructing, improving, designing, acquiring and equipping the City's Road and Street Projects, to include a Railroad Overpass and related Infrastructure on Yarrington Road; and (2) the payment of professional services in connection therewith including Legal, Fiscal and Engineering Fees and the costs of issuing the Certificates of Obligation; providing for approval of this Ordinance an emergency measure on only one reading as authorized by State Law; and other matters related thereto.

Consideration and action with respect to "An Ordinance Of The City Council Of The City Of San Marcos, Texas, Authorizing The Issuance And Sale Of \$8,700,000 Of Combination Tax And Revenue Certificates Of Obligation, Series 2021 For Constructing, Improving, Designing, Acquiring And Equipping The City's (1) Road And Street Projects, To Include A Railroad Overpass And Related Infrastructure On Yarrington Road; And (2) The Payment Of Professional Services In Connection Therewith Including Legal, Fiscal And Engineering Fees And The Costs Of Issuing The Certificates Of Obligation And Other Matters Related Thereto"

Meeting date: February 24, 2021

Department: Finance

Amount & Source of Funding

Funds Required: [Click or tap here to enter text.](#)

Account Number: [Click or tap here to enter text.](#)

Funds Available: [Click or tap here to enter text.](#)

Account Name: [Click or tap here to enter text.](#)

Fiscal Note:

Prior Council Action: December 15, 2020- Council provided authorization to publish notice of intent to issue certificates of obligation in the amount not to exceed \$8.7M.

City Council Strategic Initiative: [\[Please select from the dropdown menu below\]](#)

[Choose an item.](#)

[Choose an item.](#)

[Choose an item.](#)

Comprehensive Plan Element (s): [\[Please select the Plan element\(s\) and Goal # from dropdown menu\]](#)

below]

- ☐ Economic Development - Choose an item.
- ☐ Environment & Resource Protection - Choose an item.
- ☐ Land Use - Choose an item.
- ☐ Neighborhoods & Housing - Choose an item.
- ☐ Parks, Public Spaces & Facilities - Choose an item.
- ☐ Transportation - Choose an item.
- ☐ Core Services
- ☐ Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

Council adopted the TIRZ 2 in 2005 to build a bridge over the rail road tracks at Yarrington Road. The construction was completed in 2008 and the total amount owed to the developer through the TIRZ was \$9.6M. The TIRZ agreement included a provision that the City would pay the developer for interest accrued on the outstanding principal amount at the prime rate plus one-half of one percent. At the completion of construction, the project had accrued approximately \$710K in interest. Since then, over \$4.5M has accrued and is continuing to accrue. The City has paid over \$3.7M to the developer with the County contributing \$1.0M in payments to date. These amounts have gone to pay the accrued interest and there have been no amounts applied to the principal. The City can borrow money and issue debt at an average annual debt rate of approximately 2.75% over 20 years. The City will use the revenue from the property tax payments to pay the debt and is anticipating still gaining additional funds for the General Fund.

The Notice of Intention to use certificates of obligation was published in the San Marcos Daily Record on December 18, 2020 and December 25, 2020 and posted to the COSM website with the meeting date referenced as February 16, 2021 at 6pm. The published notice was for the issuance of certificates of obligations in the principal amount not to exceed \$8.7M. These bonds are to be sold in a competitive sale with pricing scheduled for the week of February 15, 2021. This ordinance delegates the final approval of the sale within the parameters set forth in the ordinance including maximum term, interest rate and issuance amount to the Pricing Officer. The Pricing Officer is the City Manager, or in his absence, the Mayor, acting as the designated Pricing Officer of the City to execute each Pricing Certificate.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Click or tap here to enter text.