

A G E N D A



RCA	Austin City Council	Item ID	5844
Meeting Date:	5/12/2011	Department:	Planning and Development Review

Subject

Approve a resolution authorizing the issuance by Shady Hollow Municipal Utility District, formerly known as Southwest Travis County Municipal Utility District Number One ("District"), of Unlimited Tax Bonds, Series 2011, in an amount not to exceed \$3,500,000, and approve a substantial draft of the District's Bond Resolution and the Preliminary Official Statement.

Amount and Source of Funding

No fiscal impact to the City. The City has no responsibility for payment on District bonds unless the District is annexed by the City.

Fiscal Note

Purchasing Language:

Prior Council Action:

For More Information: Jackie Chuter, 974-2613; Sylvia Arzola 974-6448

Boards and Commission Action:

To be reviewed by Water & Wastewater Commission on May 11, 2011.

MBE / WBE:

Related Items:

Additional Backup Information

The City of Austin and the Southwest Travis County Municipal Utility District No. 1 ("District"), now known as Shady Hollow, entered into the "Agreement Concerning Creation of Southwest Travis County Municipal Utility District No. 1" on November 7, 1980. The District was created by the Texas Water Commission, predecessor to the Texas Commission on Environmental Quality ("TCEQ"), on December 4, 1980. The District contains approximately 451 acres and is located in the City of Austin's extraterritorial jurisdiction ("ETJ") on both sides of Brodie Lane approximately three-quarters of a mile south of Slaughter Lane.

The City has received a request from the District to approve a District bond sale in the amount of \$3,500,000. The total amount of bonds authorized for the District is \$10,810,000. The District has previously issued the Series 1984 bonds in the amount of \$1,300,000, Series 1986 bonds in the amount of \$3,200,000, and Series 1991 refunding bonds in the amount of \$1,050,000. After the proposed bond issue, \$2,810,000 in District bond authority will remain.

The proceeds from the proposed bond issue will fund the construction, engineering, land and acquisition costs for the construction of a Fire/EMS station at 12010 Brodie Lane. The bond issue will also fund associated non-construction costs.

Under the terms of the "Second Supplement to Agreement Concerning Creation of Southwest Travis County Municipal Utility District No. 1," approved by the City and the District June 24, 2008 ("Second Supplement"), the station will be located in Travis County, and the station location has been approved by the City. The station design and construction must comply with City of Austin design specifications for joint Fire/EMS stations. After completion, the fire station may be leased to Travis County Emergency Services District No. 5 ("ESD 5"). The City of Austin Fire Department or the Austin/Travis County Emergency Medical Services may occupy two bays in the station. After June 24, 2020, the City may terminate ESD 5's lease and occupy the entire station.

The District receives City wholesale water and wastewater service. Currently, the District serves 1,060 equivalent single-family water and wastewater connections.

The TCEQ order dated August 27, 2008 and approving this bond issue states that the maximum net effective interest rate for this issuance should not exceed 6.26%. The proposed combined maintenance and debt service tax rate after issuance of the bonds is \$0.19 per \$100 of assessed value. The District bonds are the sole obligation of the District until the City annexes the District. This District is not included in the City's annexation plan at this time.

The consent agreement for the District requires City approval for all bond sales. City departmental staff from the Austin Water Utility, Parks and Recreation, Emergency Medical Services, Library, Planning and Development Review, Neighborhood Housing, Finance-Treasury, Watershed Protection, Fire, and Law reviewed the District's consent agreements and found no current compliance deficiencies. City staff recommends approval of the issuance of \$3,500,000 in District Unlimited Tax Bonds, Series 2011, contingent upon review and approval of the final bond offering documents by the City Chief Financial Officer's designee.