



## Recommendation for Action

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**File #:** 20-3233, **Agenda Item #:** 45.

10/15/2020

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### **Posting Language**

Approve a resolution approving the issuance by Southeast Travis County Municipal District No. 1 of Unlimited Tax Bonds, Series 2020, in a principal amount not to exceed \$2,465,000.

### **Lead Department**

Treasury

### **Fiscal Note**

This item has no fiscal impact.

### **For More Information:**

Belinda Weaver, City Treasurer, 512-974-7885; Virginia Collier, Program Manager III, Austin Water, 512-972-0117; Andrei Lubomudrov, Senior Planner, Housing and Planning Department, 512-974-7659

### **Council Committee, Boards and Commission Action:**

Water and Wastewater Commission Review October 14, 2020

### **Additional Backup Information:**

Southeast Travis County Municipal District No. 1 (the "District"), a political subdivision of the State of Texas, was created under the laws of the State of Texas by Senate Bill No. 1913, Acts of the 82nd Texas Legislature, Regular Session (2011), Chapter 1114, now codified as Chapter 8382, Subtitle F, Title 6, Texas Special District Local Laws Code (the "Enabling Legislation"), and operates under Chapters 49 and 54 of the Texas Water Code. The Enabling Legislation became effective May 25, 2011, and created the District, subject to the consent of the City of Austin (the "City") to the creation.

The City consented to the creation of the District by Council action taken March 22, 2012 (the "Consent Ordinance") and under the terms of the Consent Agreement between the City, the District, and Qualico CR, L.P., a Texas limited partnership (the "Developer") dated effective as of April 17, 2012 (the "Consent Agreement"). The City and the District entered into a Strategic Partnership Agreement dated as of June 4, 2012 (as amended, the "SPA"), as authorized by Section 43.0751, Texas Local Government Code, which sets forth the terms and conditions of the City's annexation of the land within the District and on which the District will continue to exist as a limited district, Southeast Travis County Limited District No. 1 (the "Limited District"), in accordance with Section 43.0751, Texas Local Government Code, and the Enabling Legislation following the City's full-purpose annexation of the land within the District as provided in Consent Agreement and the SPA.

The District, which currently contains 187.72 acres of land, is located within the extraterritorial jurisdiction of the City in southeast Travis County, Texas. The District is located approximately 12 miles southeast of the central business district of the City of Austin in southeastern Travis County, Texas. The District lies generally southeast of State Highways 130 and 71. Austin-Bergstrom International Airport is located approximately five miles northwest of the District. Major access to the District is provided by State Highway 130 to Pearce Lane (east) leading to Sun Chase Parkway at the District's northern boundary.

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The District is required to obtain City approval for all bond sales pursuant to the Consent Agreement. The City has received a request from the District to approve the District's bond sale in the amount of \$2.465 million for the Water, Wastewater and Drainage proposition. After the proposed bond issue, approximately \$19.6 million in authorized but unissued bonds will remain in this proposition, with an additional approximately \$1.5 million unissued for the Parks and Recreational proposition, and approximately \$7.5 million unissued for the Road proposition.

The proceeds from the proposed bond sale will fund the District's share of the Sun Chase Phase 1 water extension costs, storm water pollution planning, as well as various project and issuance costs.

The City is the retail provider of water and wastewater service.

The District bonds are the sole obligation of the District until the City full-purpose annexes the District. The first eligible date for the City to annex the District pursuant to the Consent Agreement is December 30, 2033.

City departmental staff from Austin Water, Parks and Recreation, Housing and Planning, and Watershed Protection reviewed the District's Consent Agreement and its amendments. The District was found to be in compliance with the terms of the agreement. The City's Financial Services Department and the City's Financial Advisor have reviewed the District's proposed bond sale and recommend approval.

**Strategic Outcome(s):**

Government that Works for All.