



# Agenda Report

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**Agenda of:** November 19, 2025

**Department:** Administration

**Subject:** Discussion and appropriate action to select bond counsel services for the City of Castroville

## **Recommended Motion:**

Motion to hire the law firm of Kelly, Hart, & Hallman (KH) as bond counsel for the City of Castroville.

## **Background:**

On October 13, 2025, the City received a letter of resignation from Clay Binford, Partner with McCall, Parkhurst & Horton LLP, terminating his firm's representation of the City as bond counsel effective immediately. The resignation occurred prior to the October 14, 2025 City Council meeting, at which an item had been posted to consider the firm's potential termination based on perceived conflicts of interest related to development, TIRZ, and PID agreements.

Following Mr. Binford's resignation, staff was directed to initiate the process of procuring replacement bond counsel in accordance with the Professional Services Procurement Act (Texas Government Code Chapter 2254). Staff utilized a Request for Qualifications (RFQ) and publicly posted the solicitation for Bond Counsel Services on the City's website and customary notice outlets.

The RFQ requested statements of qualifications from qualified firms to provide legal services related to the authorization, issuance, and sale of municipal debt instruments, as well as associated legal opinions and filings with the Texas Attorney General and Comptroller of Public Accounts.

## **CURRENT STATUS AND RECOMMENDATION**

The City received one (1) response by the submission deadline—from Kelly Hart & Hallman LLP, a Texas-based law firm with extensive municipal finance experience. The firm's qualifications highlight representation of numerous local governments, including the City of Fort Worth, Tarrant County, the Fort Worth Transportation Authority, and the City of Hillsboro.

Their proposed bond counsel team includes attorneys Brandon M. Hill (Partner), Jonathan Cranz (Of Counsel), Robbie Clarke (Partner), and R. Daniel Settle, Jr. (Of Counsel)—each with specialized expertise in Texas municipal finance, bond issuance, and related public law practice areas.

Staff conducted reference checks with municipal clients and professional colleagues, all of which confirmed high satisfaction with the firm's responsiveness, legal quality, and familiarity with municipal debt instruments.

### **STAFF RECOMMENDATION**

Based on the qualifications received and verified references, staff recommends that the **City Council appoint Kelly Hart & Hallman LLP as bond counsel for the City of Castroville.**

The firm will provide legal services related to the issuance of general obligation bonds, certificates of obligation, revenue bonds, and related municipal financing instruments as needed, consistent with Texas law and industry standards.

### **Fiscal Impact:**

There is no immediate fiscal impact. Bond counsel fees are **contingent upon the issuance and sale of debt** and are typically paid from bond proceeds at closing

☒ **Budgeted**   ☐ **Requires Budget Amendment**

### **Source of Funding:**

**Urgency (0-5 = Low Urgency to High Urgency): 2**

**Impact (0-5 = Low Impact to High Impact): 3**

**Submitted by: R. Scott Dixon**