



City of Dripping Springs

Post Office Box 384
511 Mercer Street
Dripping Springs, Texas 78620

Agenda Item Report from: Laura Mueller – City Attorney

Council Meeting Date:	June 15, 2021
Agenda Item Wording:	Approval of a Resolution of the City of Dripping Springs Consenting to the Issuance of Road Bonds by Headwaters Municipal Utility District of Hays County. Applicant: Tony Corbett, McClean & Howard, L.L.C.
Agenda Item Requestor:	Applicant: Tony Corbett, McClean & Howard, L.L.C
Summary/Background: Headwaters is a Municipal Utility District to which the City consented to the creation. The majority of the MUD is in the ETJ but the commercial portion of the district is in the City Limits. The MUD is required to get the City's consent to all bond issuances, although the City has narrow discretion in denying the issuance.	
Resolution Consents to the issuance of its fifth series of road bonds in a principal amount not to exceed \$5,805,000. the District has heretofore issued its \$3,000,000 Unlimited Tax Road Bonds, Series 2017 (the "Series 2017 Bonds"), its \$2,685,000 Unlimited Tax Road Bonds, Series 2018 (the "Series 2018 Bonds"), its \$4,500,000 Unlimited Tax Road Bonds, Series 2020 (the "Series 2020 Bonds") and \$3,740,000 Unlimited Tax Road Bonds, Series 2020A (the "Series 2020A Bonds"). The City's financial advisor, Chris Lane, reviewed the bonds and she noted that: The District is about 63% developed with 341 completed homes (326 occupied; 15 for sale; 80 under construction; 21 vacant lots; 168 MF Apartment for 160 leased). Home prices range from \$370,000 to \$720,000. Estimated population is 1,141. The tax rate is \$0.90 cents and the principal tax payers are the developer and home builders which is approximately 40% of the value. They have also applied for a bond rating for this issuance. The City may only disapprove of bonds if the landowners or the District are in material breach of the Consent Agreement.	

Commission Recommendations:	N/A
Actions by Other Jurisdictions/Entities:	N/A
Previous Action:	The City Consented to the Creation of the MUD in 2005 and consented to two other amendments to the Agreement. The City has consent to previous bond issuances.
Recommended P&Z Action:	Staff recommends approval.
Alternatives/Options:	N/A
Attachments:	Third Amendment, Original Agreement, Two approved amendments.
Related Documents at City Hall:	N/A
Public Notice Process:	N/A
Public Comments:	N/A
Next Step/Schedule:	Once approved, the bonds will be issued.