



**STAFF REPORT**  
**City of Dripping Springs**  
**PO Box 384**  
**511 Mercer Street**  
**Dripping Springs, TX 78620**

**Submitted By:** Shawn Cox, Deputy City Administrator

**Council Meeting Date:** Tuesday, February 4, 2025

**Agenda Item Wording:** **Public hearing, discussion, and consideration of approval of a Resolution Authorizing the Publication of the Notice of Intention to Issue City of Dripping Springs, Texas Combination Tax and Limited Revenue Certificates of Obligation in an Estimated Amount not to Exceed \$14,500,000, and Other Matters Related Thereto.**

**Agenda Item Requestor:** Shawn Cox, Deputy City Administrator

**Summary/Background:**

As a part of the FY 2025 budget preparation, Council considered funding options for a number of upcoming projects: including TIRZ priority projects, street improvements, and a maintenance facility. Since the adoption of the budget, we have included funding for property acquisition. The projects and costs are:

Project		Cost	TIRZ*	City
Street Improvements	Complete Reconstruction of Existing Roads (FY25)	\$ 616,948	\$ -	\$ 616,948
Transportation Improvements	Design/Construction of New Infrastructure	\$ 1,040,000	\$ -	\$ 1,040,000
Maintenance Facility	Purchase & Construction of Maintenance Facility	\$ 412,805	\$ -	\$ 412,805
Property Acquisition		\$ 2,250,000		\$ 2,250,000
TIRZ Projects	Construction of OFR, Stephenson Bldg. & DT Parking Lot	\$ 9,654,799	\$ 7,241,099	\$ 2,413,700
		<b>\$ 13,974,552</b>	<b>\$ 7,241,099</b>	<b>\$ 6,733,452</b>

\*TIRZ costs are calculated at 75% of the total costs of their projects.

After working with the City’s Financial Advisor and Bond Council, for consideration is the issuance of \$13,255,000.00 in Combination Tax and Revenue Certificates of Obligation Bonds with a Reoffering premium of \$1,204,249.40 for a total issuance of \$14,459,249.40. Based on the “Debt Servicing Schedule,” this issuance will be repaid from the General and TIRZ funds as follows:

<b>FY</b>	<b>Total Payment</b>	<b>Payment (Gen.)</b>	<b>Payment (TIRZ 1)</b>	<b>Payment (TIRZ 2)</b>	<b>Rate Impact</b>
<b>FY 2025</b>	<b>\$ 1,002,312.50</b>	\$ 482,950.99	\$ 326,379.30	\$ 192,982.21	\$ 0.02337
<b>FY 2026</b>	<b>\$ 1,007,250.00</b>	\$ 485,330.06	\$ 327,987.08	\$ 193,932.86	\$ 0.02349
<b>FY 2027</b>	<b>\$ 1,007,250.00</b>	\$ 485,330.06	\$ 327,987.08	\$ 193,932.86	\$ 0.02349
<b>FY 2028</b>	<b>\$ 1,006,250.00</b>	\$ 484,848.22	\$ 327,661.45	\$ 193,740.33	\$ 0.02346
<b>FY 2029</b>	<b>\$ 1,004,250.00</b>	\$ 483,884.55	\$ 327,010.20	\$ 193,355.25	\$ 0.02342
<b>FY 2030</b>	<b>\$ 1,006,250.00</b>	\$ 484,848.22	\$ 327,661.45	\$ 193,740.33	\$ 0.02346

The chart above outlines the next five years of payments. This issuance is a 20-year note.

The “Rate Impact” column calculates the Interest & Sinking Tax Rate which could be levied to cover the General Funds portion of the debt. For FY 2025, the City budgeted \$865,000.00 to cover the anticipated annual debt cost.

**Commission Recommendations:** N/A

**Recommended Council Actions:** Based on Council discussion during the budget process and review of projects, The Deputy City Administrator recommends approval of this item.

**Attachments:**

- Series 2025 Debt Schedule
- Capital Projects – FY25-FY30
- NOI Cert.
- NOI Resolution

**Next Steps/Schedule:** Issuance of Debt