



CITY COUNCIL CONSIDERATION ITEM CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Consideration and possible approval of an Ordinance calling a bond election to be held by the City of Fair Oaks Ranch, Texas.

DATE: February 8, 2024

DEPARTMENT: Finance

PRESENTED BY: Summer Fleming, Director of Finance
Andrew T. Friedman, Senior Managing Director, SAMCO Capital

INTRODUCTION/BACKGROUND:

The City Council reviewed the FY 2024-28 Proposed Capital Improvements Plan (CIP) during a budget workshop on July 20, 2023, and reviewed financing scenarios and a draft timeline for approving the plan.

On October 5, 2023, City Council approved a Resolution appointing members of the Capital Improvements Advisory Committee to serve as the ad hoc Bond Advisory Committee (BAC) to the Council and directed the City Manager to develop financing options by February 2024. In five open meetings held between October 2023 through January 2024, the BAC reviewed each project and presented its report and recommendation to City Council on January 18, 2024. The BAC recommended roadway projects be funded through the issuance of general obligation bonds authorized by an election.

This Ordinance calls a bond election on the uniform election date of May 4, 2024. The election would authorize the City to issue up to \$16 million in General Obligation Bonds to support four roadway projects: Dietz Elkhorn Road, Battle Intense at Trailside, Rolling Acres Trail, and Ammann Road. The Ordinance will become effective immediately upon adoption, pursuant to the provisions of Section 1201.028, as amended, Texas Government Code, notwithstanding any provision in the City's Home Rule Charter to the contrary concerning a multiple reading requirement for the adoption of ordinances. This will be the first and final reading of the ordinance.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

- Supports Priority 1.4 to Develop Sustainable Financing Strategies Aligned with Service Delivery Expectations of the Strategic Action Plan
- Supports Priority 3.4 to Enhance and Ensure Continuity of Reliable Roadway Improvement Initiatives of the Strategic Action Plan

LONG-TERM FINANCIAL & BUDGETARY IMPACT:

If passed through an election, the City would be authorized to issue up to \$16 million in bonds for the purpose of designing, demolishing, constructing, renovating, improving, reconstructing, restructuring and extending streets and thoroughfares and related land and right-of-way sidewalks, streetscapes, collectors, drainage, landscape, signage, acquiring lands and rights-of-

way necessary thereto or incidental therewith for the following street projects: Dietz Elkhorn, Battle Intense, Rolling Acres Trail, and Ammann Road.

Long-term financial impacts are based on a proposed roadway project schedule the City provided SAMCO Capital for the issuance of bonds over a five-year period. SAMCO estimates a maximum annual increase to the City's I&S tax rate of \$0.0194, or \$19.42 per \$100,000 of taxable value. Individual homeowner impacts range from an annual increase of \$77.68 for a home with net taxable value of \$400,000 to \$291.30 for a home with net taxable value of \$1,500,000.

LEGAL ANALYSIS:

Approved by legal.

RECOMMENDATION/PROPOSED MOTION:

I move that the City Council adopt an ordinance calling a bond election.