



CITY COUNCIL WORKSHOP

CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Roadway General Obligation Bond Workshop.

DATE: February 1, 2024

DEPARTMENT: Public Works, Finance

PRESENTED BY: Grant Watanabe, P.E., Director of Public Works and Engineering Services
Summer Fleming, Director of Finance

INTRODUCTION/BACKGROUND:

At the January 18, 2024, Council meeting, the Chairperson of the Bond Advisory Committee, Seth Mitchell, presented a report regarding general fund projects and associated funding recommendations. The report recommended funding necessary roadway projects with General Obligation bonds. During the meeting, Councilmembers directed staff to bring back additional information on the roadway projects, including cost estimates for various Ammann Road reconstruction options and pavement condition projections for all proposed road projects. Below is a summary of the roadway projects that will be covered:

- Dietz Elkhorn (East) Reconstruction - \$4.9 million
 - Cash funded \$610,150 (Design), Debt \$4.3 million (Construction)
 - Full depth reconstruction with 5-foot paved shoulders, drainage improvements, utility, and driveway adjustments
 - No ROW acquisition
 - Currently in schematic design, evaluating options that incorporate 1) sidewalk, 2) shared-use path, or 3) combined-use path
- Rolling Acres Trail Reconstruction - \$6.8 million
 - Debt \$6.8 million (Design and Construction)
 - Full depth reconstruction with 4-foot paved shoulders, drainage improvements, utility, and driveway adjustments
 - Includes Low Water Crossing culvert or bridge structure (\$1.0 million)
 - No ROW acquisition
- Battle Intense at Trailside - \$312,000
 - Debt \$312,000 (Design and Construction)
 - Full depth reconstruction (approximately 528 linear feet)
 - No ROW acquisition or change in footprint
- Ammann Road Reconstruction - \$6.7 million
 - Debt \$6.7 million (Design and Construction)
 - Full depth reconstruction with 4-foot paved shoulders, drainage improvements, utility, and driveway adjustments
 - Includes Low Water Crossing culvert or bridge structure (\$1.3 million)
 - No ROW acquisition

Staff will ask the City Council during this workshop to direct the total bond authorization for roadway projects. The total bond authorization is a not to exceed amount and Council still has the discretion to modify project scope or elements during the design process and make cost-benefit decisions at future council meetings. In addition, there is no obligation to sell the full authorized bond amount if there is no need to do so.

Based on City Council direction, staff will propose an action at the February 15th regularly scheduled meeting calling for a bond election, identifying polling dates and locations, and providing the appropriate proposition language. A draft resolution prepared by bond counsel has been included for review.

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:

The Bond Advisory Committee report presented to Council on January 18, 2024, included information from SAMCO Capital on projected debt payments and expected ad valorem tax impacts. For the Committee recommended projects, SAMCO projected financing the general fund projects could result in an increase to the City's I&S Tax Rate of \$0.0166, or about \$17 per \$100,000 of taxable value. Individual homeowner impacts range from an annual increase of \$66.35 for a home with net taxable value of \$400,000 to \$248.80 for a home with net taxable value of \$1,500,000.

LEGAL ANALYSIS:

N/A

RECOMMENDATION/PROPOSED MOTION:

N/A.