



AGENDA ITEM SUMMARY FORM

PROPOSED MEETING DATE: May 1, 2024
PREPARED BY: Scott Dunlop, Director
DEPARTMENT: Development Services

AGENDA ITEM DESCRIPTIONS:

Consideration, discussion, and possible action on an Ordinance of the City of Manor, Texas Special Assessment Revenue Bonds, Series 2024 (Manor Heights Public Improvement District Improvement Area #4 Project); Approving and Authorizing an Indenture of Trust, a Bond Purchase Agreement, a Limited Offering Memorandum, a Continuing Disclosure Agreement, and Other Agreements and Documents in Connection Therewith; Making Findings with Respect to the Issuance of Such Bonds; and Providing an Effective Date.

BACKGROUND/SUMMARY:

The City authorized the creation of the Manor Heights Public Improvement District (“District” or “PID”) by adopting Resolution No. 2018-10 on November 7, 2018, and authorized additional land to be added to the District pursuant to Resolution No. 202-11 on October 7, 2020. The PID is authorized to issue up to \$30,000,000.00 in bonds to finance certain public improvements associated with the Manor Heights Development. Major Improvement Area Bonds and Improvement Area #1-2 Bonds were issued in 2021 to fund Major Improvements, Improvement Area #1 Improvements, and Improvement Area #2 Improvements in the District. Improvement Area #3 Bonds were issued in 2023 to fund the Improvement Area #3 Improvements. This item will approve the bonds which will fund improvements specifically for Improvement Area #4 of the development district, which include water, wastewater, drainage and roadway improvements.

The City approved Resolution 2024-10 on April 17, 2024, which authorized the Preliminary Limited Offering Memorandum (PLOM) for the purpose of marketing the bonds for the Manor Heights PID Improvement Area #4 Project. Adoption of this Ordinance authorizes the issuance of the Bonds in the principal amount of approximately \$5,070,000 for the purposes of (i) paying a portion of the costs of the Improvement Area #4 Improvements, (ii) paying capitalized interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #4 Improvements; (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization and administration of the District, and (v) paying the costs of issuance of the Bonds.

This Ordinance authorizes the Limited Offering Memorandum (LOM) for Improvement Area #4, which is the finalized official copy of the City’s offering documents; authorizes an indenture of trust with UMB Bank, N.A., as trustee, to administer the assessments and pay debt service on the bonds; approves a bond purchase agreement whereby the City sells the bonds to FMSbonds, Inc., as the Underwriter; and approves a Continuing Disclosure Agreement between P3Works, LLC, as Administrator, UMB Bank, N.A., as Dissemination Agent, and the City.

LEGAL REVIEW: Yes, Gregory Miller, Public Finance Counsel
FISCAL IMPACT: No. The bonds are repaid by special assessment revenue rather than ad valorem tax
PRESENTATION: Yes, Gregory Miller, Public Finance Counsel; FMS Bonds, Underwriter; Chris Lane, Financial Advisor
ATTACHMENTS: Yes

- Ordinance No. 740 Issuing Bonds
- Exhibit A - Indenture of Trust
- Exhibit B - Bond Purchase Agreement
- Exhibit C - Continuing Disclosure Agreement

STAFF RECOMMENDATION:

The city staff recommends approval of Ordinance No. 740 issuing Manor Heights Public Improvement District Improvement Area #4 Bonds and approving an Indenture of Trust, Bond Purchase Agreement, Limited Offering Memorandum, and Continuing Disclosure Agreement of Issuer.

PLANNING & ZONING COMMISSION: **Recommend Approval** **Disapproval** **None**