



Legislation Text

File #: ORD-3496, Version: 1

Consider adopting Ordinance No. 3496 providing for the issuance of City of Farmers Branch, Texas, General Obligation Bonds, Series 2018, in an aggregate principal amount not to exceed approximately \$14,000,000; awarding the sale of said bonds; levying a tax in payment thereof; approving the Official Statement and a Paying Agent/Registrar Agreement; enacting other provisions relating thereto; declaring an effective date; and, take appropriate action.

BACKGROUND:

On February 18, 2014, the City Council adopted Ordinance No. 3263 calling for a bond election in the amount of \$23,500,000 to be held within the City on May 10, 2014. An election was held on May 10, 2014 authorizing the City Council of the City of Farmers Branch, Texas to issue general obligation bonds in the aggregate principal amount of \$23,500,000.

Ordinance No. 3288 was adopted on July 15, 2014 providing for the issuance and sale of approximately \$14,500,000 of the \$23,500,000 voter authorized bonds. The remaining bonds, totaling approximately \$9,000,000, were anticipated to be issued within approximately four to five years and the combined maturity was expected to be twenty years. No tax increase is proposed for this portion of the Series 2018 bonds.

On August 15, 2017, the City Council adopted Ordinance No. 3455 calling for a bond election to be held within the City on November 7, 2017 to consider three bond propositions: Pike Street/Station Area Improvement Bonds totaling \$4.0 million; Connecting Neighborhoods with Trails and Sidewalks Bonds totaling \$7.0 million; and, Neighborhood Revitalization Bonds totaling \$4.0 million. An election was held on November 7, 2017 authorizing the City Council of the City of Farmers Branch, Texas to issue general obligation bonds in the aggregate principal amount of \$15.0 million. The bonds will be used to provide funds for the above initiatives and to pay the costs associated with the issuance of the bonds. No tax rate increase is proposed for this portion of the Series 2018 bonds.

DISCUSSION:

Ordinance No. 3496 provides for the issuance and sale of the remaining voter authorized street improvement bonds totaling approximately \$9,000,000 and the issuance of Quality of Life Bonds totaling approximately \$5,000,000. The remaining Quality of Life bonds, approved in the November 2017 election, totaling approximately \$10,000,000, are anticipated to be issued in 2020.

In addition, an opportunity exists to provide for the combined sale and issuance of the voter authorized bonds and certificates of obligation for the relocation of Fire Station No. 2 and expansion of landfill facilities in order to realize interest rate and cost of issuance savings. To realize these savings, the Bonds are being offered by the City concurrently with the City of Farmers Branch, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2018. The Bonds and the Certificates are separate and distinct securities offerings being issued and sold independently except for the common Official Statement.

This agenda item supports the City Council's guiding principle to provide for efficient and fiscally sound government through conservative budgeting, spending and resource management.

RECOMMENDATION:

City Administration recommends adopting Ordinance No. 3496 providing for the issuance and sale of General Obligation Bonds, Series 2018, in an aggregate principal amount of not to exceed \$9,000,000 for street projects pursuant to the bond election held May 10, 2014 and the issuance of Quality of Life Bonds totaling approximately \$5,000,000 for the purpose of trails (\$4,000,000) and residential revitalization (\$1,000,000) pursuant to the bond election held November 7, 2017.

POSSIBLE COUNCIL ACTION:

1. I move to approve Ordinance No. 3496 providing for the issuance of City of Farmers Branch, Texas, General Obligation Bonds, Series 2018, in an aggregate principal amount not to exceed \$9,000,000 for street projects pursuant to a bond election held May 10, 2014; providing for the issuance of Quality of Life Bonds for the purpose of constructing parks and open space improvements, including trails, in an aggregate principal amount not to exceed \$4,000,000 and residential revitalization programs, in an aggregate principal amount not to exceed \$1,000,000 pursuant to a bond election held November 7, 2017; awarding the sale of the remaining Street Improvement bonds; awarding the sale of Quality of Life Bonds for trails and residential revitalization; approving the official statement and paying agent/registrar agreement; enacting other provisions relating thereto; declaring an effective date; and take appropriate action.
2. I move to approve Ordinance No. 3496 providing for the issuance of City of Farmers Branch, Texas, General Obligation Bonds, Series 2018, in an aggregate principal amount not to exceed \$9,000,000 for street projects pursuant to a bond election held May 10, 2014; providing for the issuance of Quality of Life Bonds for the purpose of constructing parks and open space improvements, including trails, in an aggregate principal amount not to exceed \$4,000,000 and residential revitalization programs, in an aggregate principal amount not to exceed \$1,000,000 pursuant to a bond election held November 7, 2017; awarding the sale of the remaining Street Improvement bonds; awarding the sale of Quality of Life Bonds for trails and residential revitalization; approving the official statement and paying agent/registrar, with modifications.
3. I move to table the issue for further study or take no action.

ATTACHMENTS:

1. Ordinance No. 3496 (Draft - Final version to be delivered at meeting)
2. Preliminary Official Statement
3. Notice of Sale