



Legislation Text

File #: 2018-5857, **Version:** 1

Consider a resolution authorizing the publication of Notice of Intention to issue City of Round Rock, Texas combination tax and limited revenue certificates of obligation and other matters related thereto.

Staff originally recommended issuing the planned CO debt for the Luther Peterson project in the spring of 2019. However, issuing these COs in the 2018 calendar year will allow the city to take advantage of a special "bank qualified" provision and save approximately \$325,000 in interest expense over the life of the debt issue. Therefore, staff is recommending taking advantage of this option and issuing the Luther Peterson COs a few months earlier.

This resolution provides notice of the intention of the City to issue certificates of obligation bonds for (1) constructing, improving, and equipping a public works facility for the City's utilities and transportation departments to be located on Luther Peterson Place and related costs, including the acquisition of any necessary easements or land; and (2) professional services including fiscal, engineering, architectural, and legal fees and other such costs incurred in connection therewith including the costs of issuing the Certificates. The City has the desire to issue a maximum of \$7 million in Combination Tax & Limited Revenue Certificates of Obligation bonds. The City is required to publish notice of its intention to issue the Certificates of Obligation in a newspaper that will indicate the time and place for the passage of the ordinance authorizing the issuance and the maximum amount, purpose, and how bonds will be paid. The notice will be published at least 31 days prior to the adoption of the Delegation Ordinance (November 8) which authorizes the Certificates of Obligation.

The debt will be competitively bid with the award made at the November 8, 2018 regular Council meeting.

The Luther Peterson project that is currently under construction is expected to be completed in September 2019. The total project cost is \$20.9 million with \$13.9 million paid from Utility Fund cash and the remaining \$7.0 million paid by this debt. The new facility will house all management and administrative staff from both the Transportation and Utility & Environmental Services Departments plus a portion of the Utility Department staff currently located at the water plant.