

Burney Road MUD Unlimited Tax Refunding Bonds Series 2020

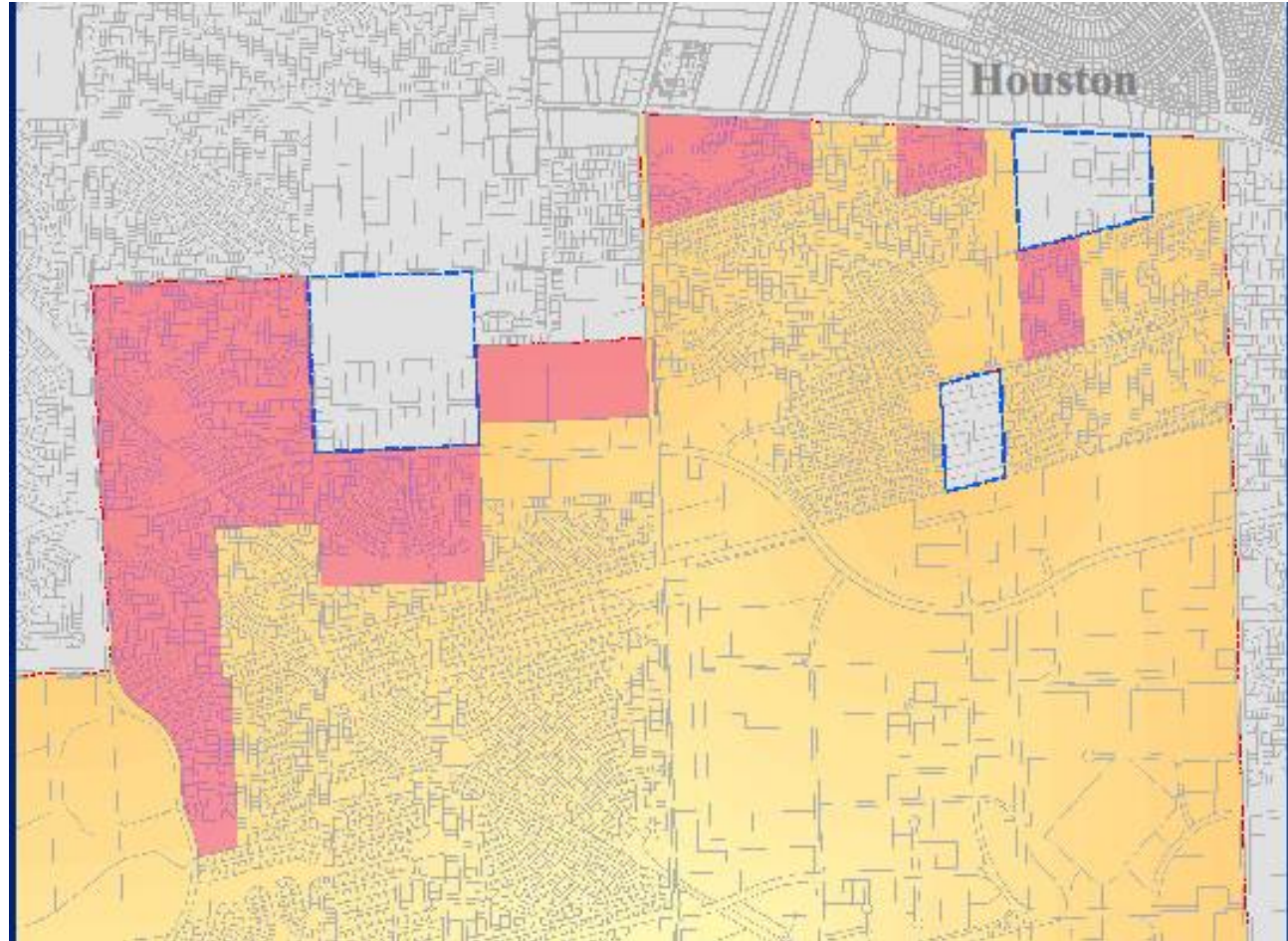


Burney Road MUD

- Created by TCEQ in 1984 and is located within the corporate limits of the City of Sugar Land
- It stretches across 445.7 acres of land, has 1,183 single family homes, and consists of the following neighborhoods:
 - Glen Laurel, Sec 1 - 8
 - The Reserve at Glen Laurel
 - Eldridge Lake, Sec 1 & 2
 - Ashford Lakes, Sec. 7 - 9
 - Gannoway Lake Estates, Sec. 1 & 2



District Map



City Council Policy 5000-03

- City Policy 5000-03 establishes how the City Council will exercise authority related to the creation, operations, and dissolution of special purpose districts located within the city or its extraterritorial jurisdiction.
- District Bond Issuance
 - City Council Consent Required
 - Limited to Water/Wastewater and Drainage
 - Capitalized Interest <24 mos.
 - Initial Maturity < 25 years
 - May not extend final maturity



City Council Policy 5000-03

- Tax rebates to in-City districts:
 - City rebates payment equal to 50% of City tax revenues received from properties within the district
 - Net of prorated tax collection costs
 - Limited to district's annual debt service requirements
- Only paid if the district has qualifying debt service (2026)
- Rebates permit the district to have a lower tax rate than they would otherwise have to set



Burney Road MUD

- Bond Rating - S&P: A+
- District Financial Advisor - Rathmann & Associates, L.P.
- Districts Taxable Value - 2019 Certified: \$356.7M

District Tax Rate	2019
Debt Service	\$ 0.18
Operations and Maintenance	0.04
Total Tax Rate	\$ 0.22



2020 Proposed Refunding Issue

- Proceeds will be used to refund the following series of currently outstanding bonds for debt service savings

Issue	Par Amount
Unlimited Tax Refunding, Series 2007	\$ 965,000
Unlimited Tax Refunding, Series 2011	1,430,000
Unlimited Tax Refunding, Series 2012	2,645,000
TOTAL TO BE REFUNDED	\$ 5,040,000



Proposed Refunding Issue

- Estimated Par Amount of Issue: \$4,940,000
 - Proposed Maturity Schedule: 2021-2026
 - No extension of current maturity
- Preliminary analysis from Financial Advisor as of Feb 19th
 - 4.31% net present value savings
 - ~\$234,000 in debt service savings over 7 years
 - District Board approved the issuance as a Parameter sale with a minimum NPV savings of 3.5%



Recommendation

- **Approve the issuance of Burney Road Municipal Utility District Unlimited Tax Refunding Bonds, Series 2020**



Clarifying Questions for Staff

Council Motion and Discussion
