

**Regular** 10-8-13  
**Item #** CA-6C  
**CCM/R** 13-120R

**CITY COUNCIL MEMORANDUM FOR RESOLUTION**

**AGENDA ITEM**

**Resolution expressing official intent by the City to reimburse for certain costs related to City/Owner Agreement-in-Principal to construct Mustang Creek Road and Prewitt Ranch Road**

**ORIGINATING DEPARTMENT**

**Finance**

**BACKGROUND INFORMATION**

Section 26-85 of the Killeen Code of Ordinances defines the process wherein the City may enter into an agreement with a developer to construct certain public improvements, not to include a building, related to new development. Under such an agreement, a developer constructs such improvements and the City participates in project costs within prescribed limits. City participation in such public improvements must be in association with a legal subdivision of land. Through review of appropriate documentation, City staff and the developer come to a mutual understanding of project scope and over-sizing (i.e., not infrastructure required to support the proposed development itself, but additional material and labor required to meet a defined public need or provide a regional benefit). Such City-Owner agreements are often considered concurrent with a plat application for the subdivision in which the proposed project would be constructed; however, Killeen Code of Ordinances Section 26-85(b) (5) allows consideration of a city-owner agreement at any time during the development process.

The City of Killeen considers street over sizing as a part of its analysis of future needs current during the review of each new development. The City's Thoroughfare Plan defines the necessary transportation network for the City of Killeen and establishes a framework for the orderly development of this network through desired roadway alignments, connections, and transportation system linkages. If street over sizing is warranted and is required by the City's Development Code and Thoroughfare Plan, the City may choose to participate in the cost of street over sizing with the developer.

In the past, the City has issued debt instruments to include general obligation bonds and certificate of obligations to fund City-Owner agreements. On October 31, 2006, the City Council adopted the following policy statement to affirm this understanding:

"City Owner Agreements may be funded through the issuance of certificates of obligation with an amortization period not to exceed ten (10) years as deemed necessary and approved by a majority of the City Council." (CCM/R 06-214R)

It is anticipated that the City would issue certificates of obligation for City-Owner agreement participation in the FY 13-14; however, the City desires to negotiate and may seek to enter into viable City participation public improvement projects project prior to that time. In addition, expenditures on these projects may occur prior to issuance of such obligations.

**DISCUSSION/CONCLUSION**

A reimbursement resolution needs to be passed by the Council, which will allow the City to make expenditures on the procurements and projects identified and be subsequently reimbursed for those expenditures when the proceeds from the certificate of obligations are received.

**FISCAL IMPACT**

The City's General Fund will advance funds for those items as needed. When proceeds from the sale of the certificates are received, any amounts that had been previously advanced from General Fund will be repaid to the General Fund from the proceeds received from the sale of the Certificates of Obligation Bonds.

**RECOMMENDATION**

Staff recommends that the City Council adopt the attached resolution.

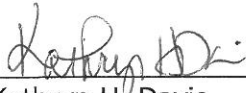
**PASSED AND APPROVED** at a regular meeting of the City Council of the City of Killeen, Texas, this the 8<sup>th</sup> day of October, 2013, at which meeting a quorum was present, held in accordance with the provisions of V.T.C.A., Government Code, § 551.001 *et seq.*

**APPROVED**



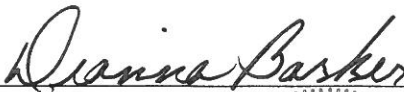
Daniel A. Corbin  
MAYOR

**APPROVED AS TO FORM:**



Kathryn H. Davis  
CITY ATTORNEY

**ATTEST:**



Dianna Barker  
CITY SECRETARY



**CERTIFICATE FOR RESOLUTION**

**THE STATE OF TEXAS §**  
**COUNTY OF BELL §**  
**CITY OF KILLEEN §**

I, the undersigned City Secretary of the City of Killeen, Texas, hereby certify as follows:

1. The City Council of said City convened in Regular Session on October 8, 2013, at the regular meeting place thereof, and the roll was called of the duly constituted officers and members of said City Council, to-wit:

Daniel A. Corbin, Mayor  
Elizabeth Blackstone, Mayor Pro Tem  
Jonathan Okray, Councilmember  
Jared Foster, Councilmember  
Wayne Gilmore, Councilmember  
Jose Segarra, Councilmember  
Terry Clark, Councilmember  
Steve Harris, Council member

and all of said persons were present, except for the following: \_\_\_\_\_;  
thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written Resolution entitled

**RESOLUTION EXPRESSING OFFICIAL INTENT TO  
REIMBURSE FOR CERTAIN COSTS**

was duly introduced for consideration and passage on first reading. It was then duly moved and seconded that said Resolution be passed on first reading; and, after due discussion, said motion, carrying with it the passage of said Resolution, prevailed and carried by the following vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

2. A true, full and correct copy of the aforesaid Resolution passed at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; said Resolution has been duly recorded in the official minutes of said City Council; the above and foregoing paragraph is a true, full and correct excerpt from said minutes of said meeting pertaining to the passage of said Resolution; the persons named in the above and foregoing paragraph, at the time of said meeting and the passage of said Resolution, were the duly chosen, qualified and acting officers and members of said City Council as indicated therein; each of said officers and members was duly and sufficiently notified officially and personally in advance, of the time, place and purpose of the aforesaid meeting and that said Resolution would be introduced and considered for passage at said meeting, and each of said officers and members consented in advance to the holding of said meeting for such purpose; and said meeting was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Tex. Gov't Code Ann., ch. 551.

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SIGNED AND SEALED this October 8, 2013.

  
City Secretary, City of Killeen, Texas

[CITY SEAL]



RESOLUTION NO. \_\_\_\_\_

**RESOLUTION EXPRESSING OFFICIAL INTENT TO  
REIMBURSE FOR CERTAIN COSTS**

**WHEREAS**, the City Council of the City of Killeen, Texas (the "City") expects to pay expenditures in connection with the projects described on Exhibit A attached hereto (collectively, the "Project") prior to the issuance of obligations to finance the Project; and

**WHEREAS**, the City finds, considers and declares that the reimbursement of the City for the payment of such expenditures will be appropriate and consistent with the lawful objectives of the City and, as such, chooses to declare its intention, in accordance with the provisions of Section 1.150-2 of the Treasury Regulations, to reimburse itself for such payments at such time as it issues obligations to finance the Project.

**THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KILLEEN, TEXAS:**

Section 1. The City reasonably expects to incur debt, as one or more separate series of various types of obligations, with an aggregate maximum principal amount not to exceed \$500,000 for the purpose of paying the costs of the Project prior to issuance of such obligations.

Section 2. All costs to be reimbursed pursuant hereto will be capital expenditures. No tax-exempt obligations will be issued by the City in furtherance of this Resolution after a date which is later than 18 months after the later of (1) the date the expenditures are paid or (2) the date on which the property, with respect to which such expenditures were made, is placed in service.

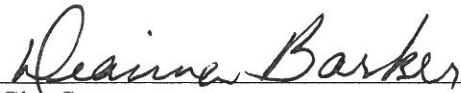
Section 3. The foregoing notwithstanding, no tax-exempt obligation will be issued pursuant to this Resolution more than three years after the date any expenditure which is to be reimbursed is paid.

PASSED, APPROVED AND EFFECTIVE THIS OCTOBER 8, 2013.



\_\_\_\_\_  
Mayor  
City of Killeen, Texas

ATTEST:



\_\_\_\_\_  
City Secretary  
City of Killeen, Texas



APPROVED AS TO FORM:



\_\_\_\_\_  
City Attorney  
City of Killeen, Texas

## **EXHIBIT A**

Costs associated with (i) constructing, reconstructing, improving, repairing, expanding and extending Mustang Creek Road and Prewitt Ranch Road, including any related acquisition of land, rights-of-way and easements; and (ii) other related costs including payment of professional services in connection therewith including legal, fiscal, and engineering fees.