



# STREET IMPROVEMENT REPAYMENT OFFICIAL INTENT

RS-21-148

November 9, 2021

# Certificates of Obligation (CO)

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- ❑ Combination tax revenue CO for street improvements
  - ▣ Tax pledge and Street Maintenance Fee revenues will be the source of payment for debt service (self-supporting)
- ❑ Local Government Code 271.052
  - ▣ Authorizes CO to be payable from and secured by other revenues
  - ▣ Limits revenue sources that can secure CO to those specifically identified in the state constitution or other statutes
- ❑ Street Maintenance Fee is not specifically identified, so drainage utility is listed as the securing revenue source

# Official Intent of CO for Street Improvements

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- ❑ Tax pledge provides the most favorable financial terms and interest rates for the CO
- ❑ The CO will be self-supporting (not paid from taxes)
- ❑ Self-supporting CO minimizes any impact on the City's credit rating
- ❑ Street Maintenance Fee revenue is the payment source for the debt service related to the CO

# Alternatives

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- ☐ Do not approve the resolution
- ☐ Approve the resolution

# Recommendation

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City Council approve the official intent regarding the issuance of certificates of obligation for street improvements