



City of Killeen

Agenda

City Council Workshop

Monday, January 9, 2023

6:00 PM

City Hall
Council Chambers
101 N. College Street
Killeen, Texas 76541

SPECIAL CITY COUNCIL WORKSHOP MEETING

Items for Discussion at Workshop

[DS-23-004](#) Discuss Future Capital Projects and Bond Issue

Attachments: [Presentation](#)

Citizen Comments

This section allows members of the public to address the Council regarding any item(s), other than a public hearing item, on the agenda for Council's consideration. Each person shall sign up in advance, may speak only one time, and such address shall be limited to four (4) minutes. A majority of the City Council is required for any time extensions. The Mayor and Councilmembers shall have one (1) minute to respond to citizen comments with a statement or explanation without engaging in dialogue.

Adjournment

I certify that the above notice of meeting was posted on the Internet and on the bulletin boards at Killeen City Hall and at the Killeen Police Department on or before 5:00 p.m. on January 4, 2023.

Laura J. Calcote, City Secretary

The public is hereby informed that notices for City of Killeen meetings will no longer distinguish between matters to be discussed in open or closed session of a meeting. This practice is in accordance with rulings by the Texas Attorney General that, under the Texas Open Meetings Act, the City Council may convene a closed session to discuss any matter listed on the agenda, without prior or further notice, if the matter is one that the Open Meetings Act allows to be discussed in a closed session.

This meeting is being conducted in accordance with the Texas Open Meetings Law [V.T.C.A., Government Code, § 551.001 et seq.]. This meeting is being conducted in accordance with the Americans with Disabilities Act [42 USC 12101 (1991)]. The facility is wheelchair accessible and handicap parking is available. Requests for sign interpretive services are available upon requests received at least 48 hours prior to the meeting. To make arrangements for those services, please call 254-501-7717, City Secretary's Office, or TDD 1-800-734-2989.

Notice of Meetings

The Mayor and/or City Council have been invited to attend and/or participate in the following meetings/conferences/events. Although a quorum of the members of the City Council may or may not be available to attend this meeting, this notice is being posted to meet the requirements of the Texas Open Meetings Act and subsequent opinions of the Texas Attorney General's Office. No official action will be taken by Council.

- *Chief of Police Retirement Ceremony, January 12, 2023, 2:00 p.m., Killeen Civic and Conference Center*
- *MLK March, January 16, 2023, 9:00 a.m., Downtown Killeen*
- *MLK Program, January 16, 2023, 11:00 a.m., Greater Peace Missionary Baptist Church*
- *Public Policy Luncheon, January 26, 2023, 11:30 a.m., TAMU-CT*
- *York Rite Masons State Gospel Fest and Appreciation Banquet, February 4, 2023, 7:00 p.m., Courtyard Marriott*
- *Black History Month, February 17, 2023, 4:00 p.m., City Hall*

Dedicated Service -- Every Day, for Everyone!



City of Killeen

Staff Report

File Number: DS-23-004

Discuss Future Capital Projects and Bond Issue



FINANCIAL FORECAST & FUTURE DEBT SERVICE CAPACITY

DS-23-004

January 9, 2023

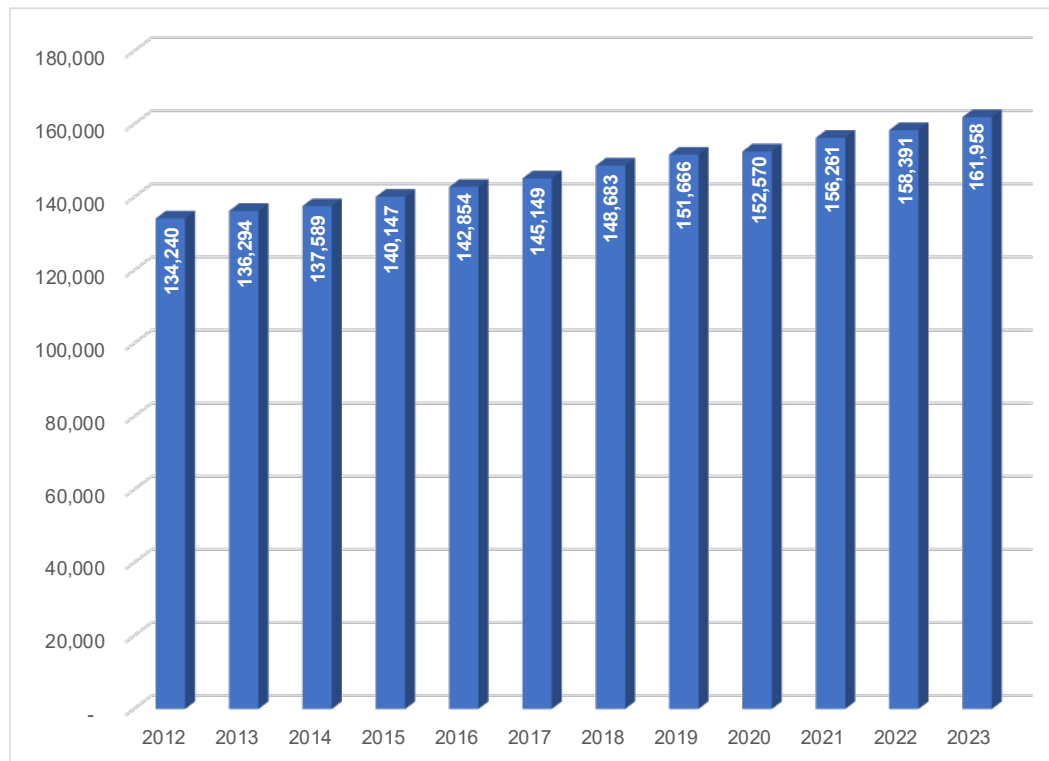
Background

2

- September 20, 2022 – City Council provided motion of direction to provide:
 - ▣ Financial forecast
 - ▣ Future debt service capacity
- November 15, 2022 – City Council provided motion of direction to seek Citizen's Input at Special City Council Workshop on January 9, 2023 at 6:00 p.m.

Population

3

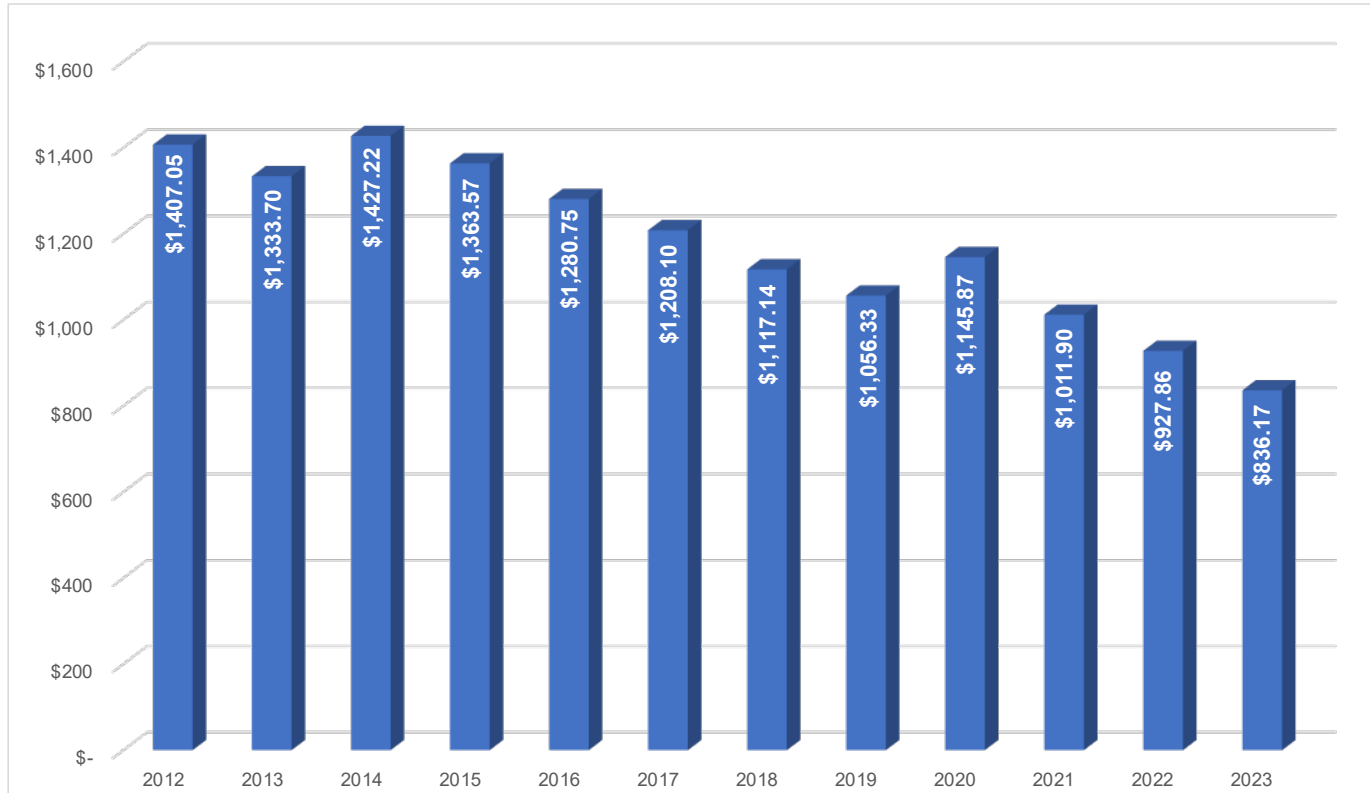


Source Document:

U.S. Census Bureau, Population Estimates Program (PEP), updated April 1, 2020 and July 1, 2021; Forecast 2022-2023

Tax Supported Debt Per Capita

4



5

Benchmarking

% of Debt Service vs. Population Growth

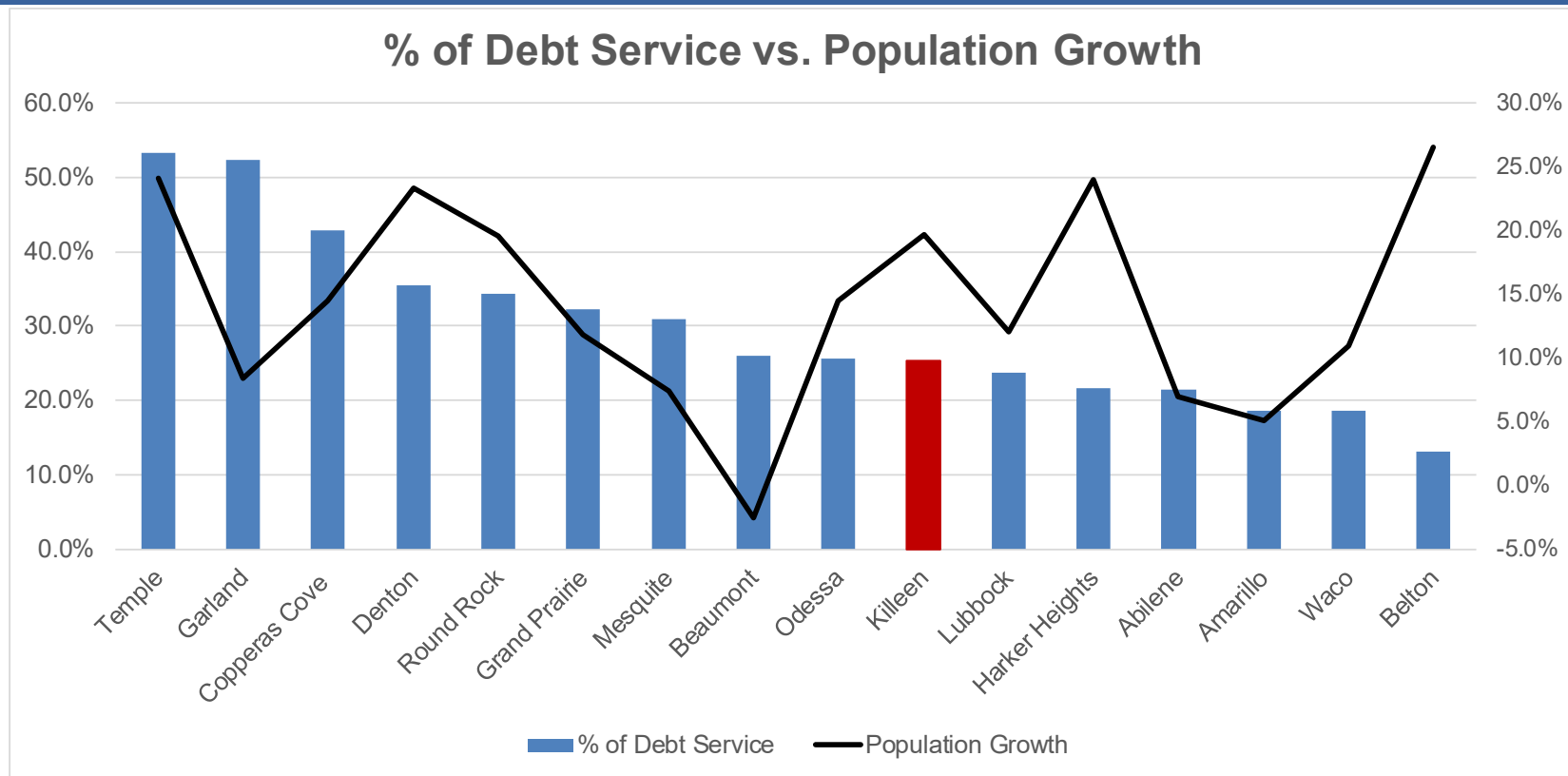
6

City	FY 2023 Tax Rate Information			% of Growth 2010 to 2020	% of Debt Service	Debt Per Capita
	M&O	I&S	Total			
Temple	\$ 0.286300	\$ 0.326700	\$ 0.613000	24.2%	53.3%	\$ 3,273.45
Garland	0.341100	0.375592	\$ 0.716692	8.4%	52.4%	1,509.43
Copperas Cove	0.411702	0.309326	0.721028	14.5%	42.9%	1,396.66
Denton	0.371432	0.204250	0.575682	23.4%	35.5%	2,615.92
Round Rock	0.224399	0.117601	0.342000	19.6%	34.4%	2,279.49
Grand Prairie	0.451074	0.213924	0.664998	11.8%	32.2%	2,554.87
Mesquite	0.454100	0.204040	0.658140	7.4%	31.0%	1,515.80
Beaumont	0.514570	0.180430	0.695000	-2.5%	26.0%	1,777.25
Odessa	0.359531	0.124260	0.483791	14.5%	25.7%	1,170.56
Killeen	0.465600	0.157700	0.623300	19.7%	25.3%	866.66
Lubbock	0.348816	0.108317	0.457133	12.0%	23.7%	383.07
Harker Heights	0.454970	0.125030	0.580000	24.0%	21.6%	1,004.22
Abilene	0.598800	0.163300	0.762100	6.9%	21.4%	1,353.08
Amarillo	0.330790	0.075490	0.406280	5.1%	18.6%	115.24
Waco	0.619238	0.140762	0.760000	11.0%	18.5%	1,257.51
Belton	0.508000	0.077000	0.585000	26.6%	13.2%	404.98
Average:				14.1%	29.7%	\$ 1,467.39

* US Census Bureau

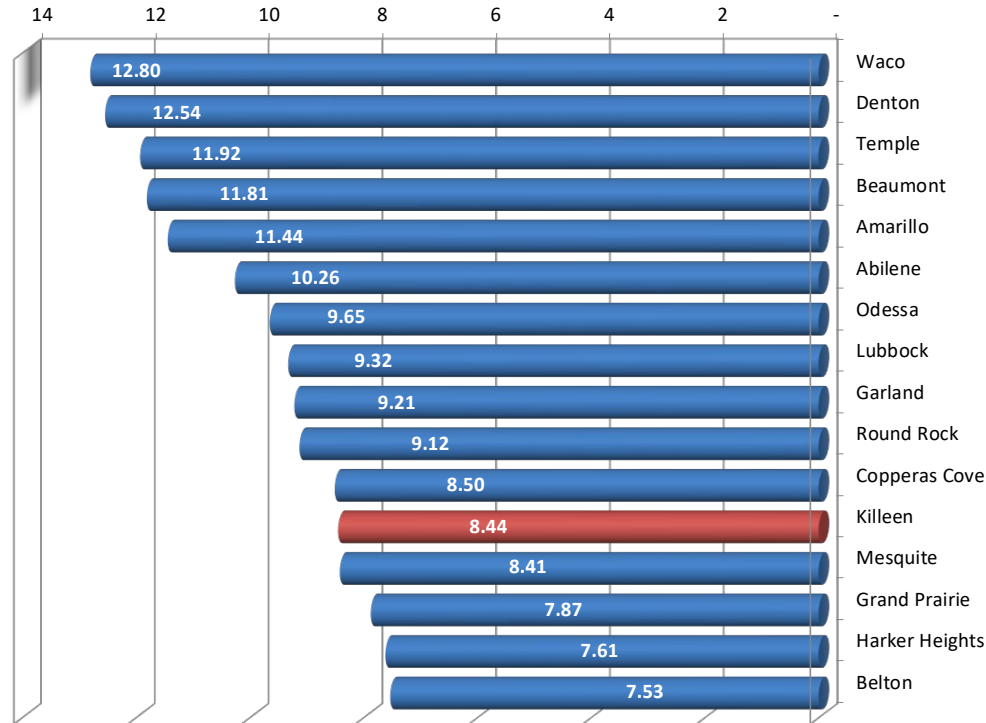
% of Debt Service vs. Population Growth

7



Employees per 1,000 Population by City

8

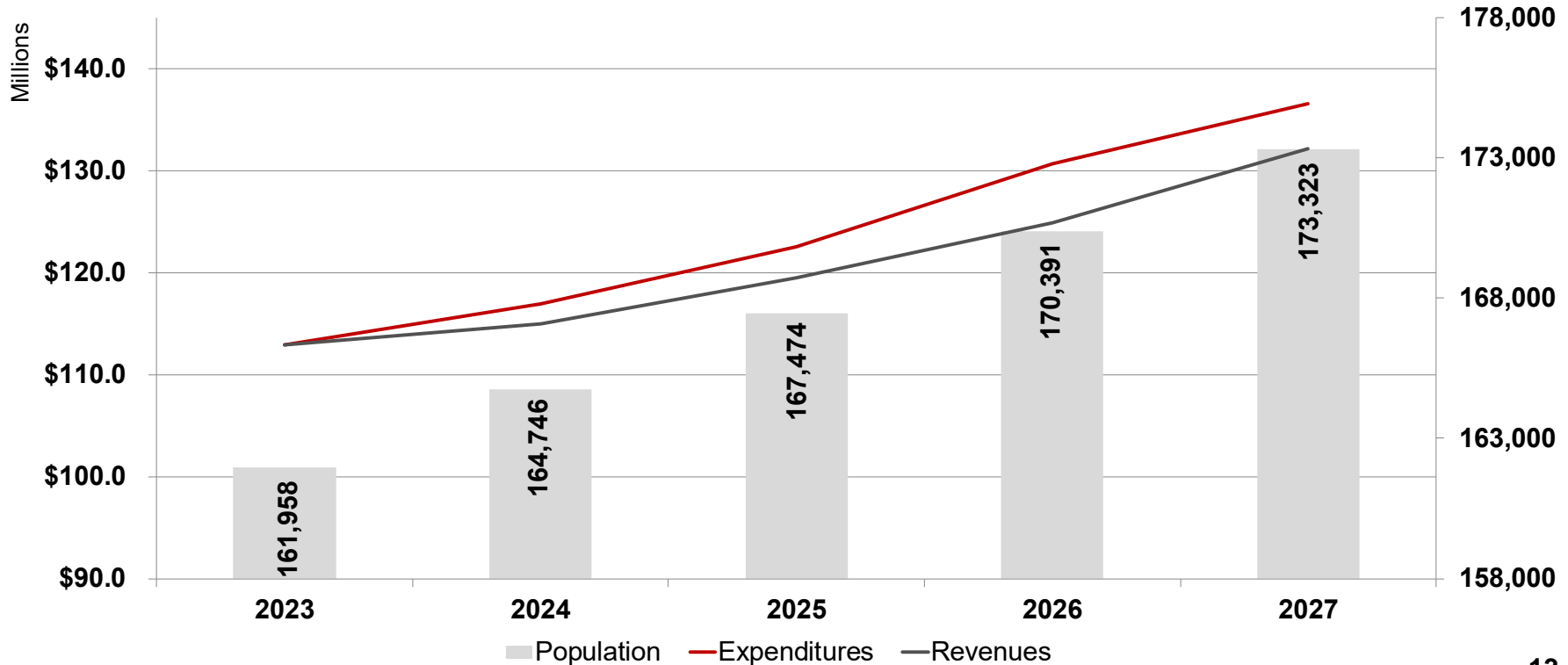


9

Financial Forecast

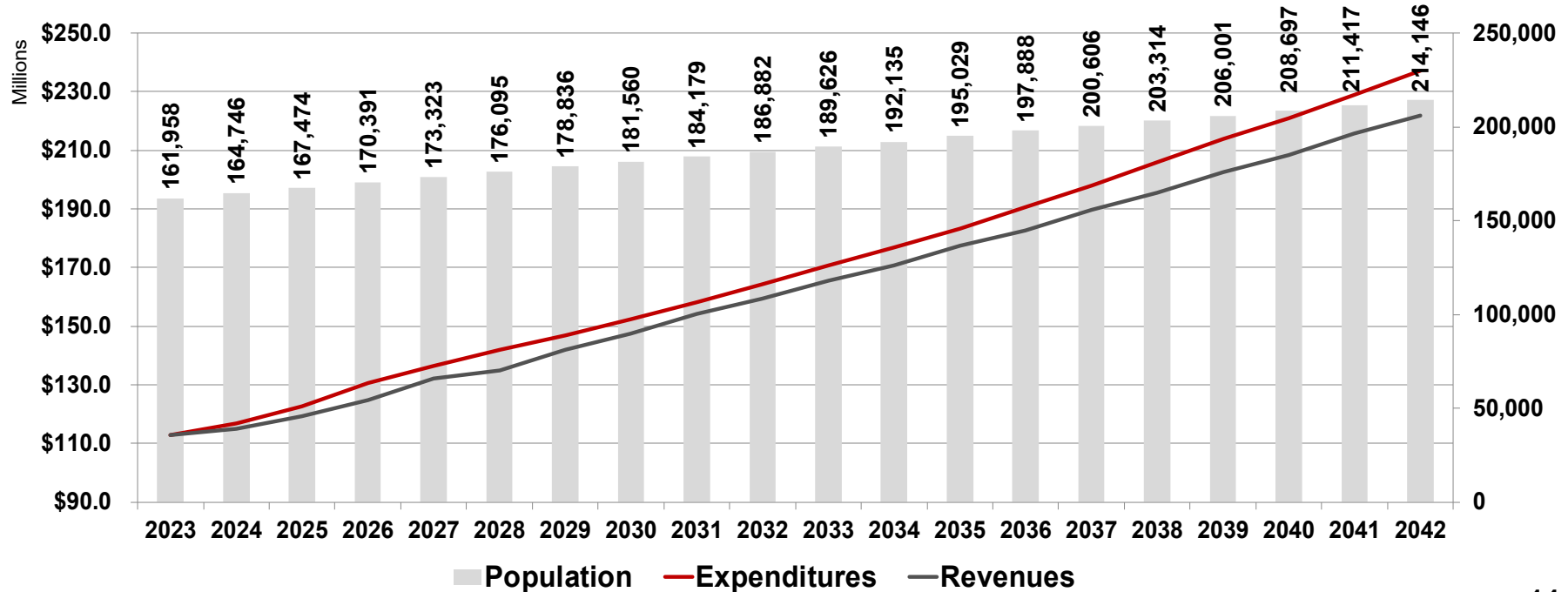
5-Year Forecast

10



20-Year Forecast

11



12

Potential Projects

Potential Projects – General Obligation (GO) Bonds

13

Project Description	Project Cost	Ongoing Operations & Maint. Cost	Estimated I&S Rate	Estimated M&O Rate	Total Tax Rate Impact
City Hall	\$66.00M	\$-	\$0.0213	\$-	\$0.0213
Animal Quarantine Facility	1.09M	-	0.0004	-	0.0004
Southwest Branch Library	10.73M	0.57M	0.0035	0.0060	0.0095
Recreation Center / Teen Center	25.70M	0.59M	0.0083	0.0061	0.0144
TOTAL	\$103.52M	\$1.16M	\$0.0335	\$0.0121	\$0.0456

Potential Projects – Certificates of Obligation (CO) Bonds

14

Project Description	Project Cost	Ongoing Operations & Maint. Cost	Estimated I&S Rate	Estimated M&O Rate	Total Tax Rate Impact
New Park Development	\$65.50M	\$1.50M	\$0.0211	\$0.0156	\$0.0367
Roads (New)	10.00M	-	0.0032	-	0.0032
Fire Station 5 New Build	7.24M	0.02M	0.0024	0.0002	0.0026
Fire Station 10 New Build	9.10M	1.97M	0.0030	0.0205	0.0235
Fire Station Expansions	4.0M	-	0.0013	-	0.0013
Fleet Services Facility	15.55M	0.15M	0.0050	0.0016	0.0066
Grounds Maint. Facility	2.60M	0.01M	0.0008	0.0001	0.0009

Potential Projects –

Certificates of Obligation (CO) Bonds (cont'd)

15

Project Description	Project Cost	Ongoing Operations & Maint. Cost	Estimated I&S Rate	Estimated M&O Rate	Total Tax Rate Impact
Parking Lot Exp PD HQ	\$1.02M	\$-	\$0.0003	\$-	\$0.0003
Evidence Storage Bldg	2.51M	0.01M	0.0008	0.0001	0.0009
Skylark FBO Building	2.20M	-	0.0007	-	0.0007
City Hall Structural Impr	0.98M	-	0.0003	-	0.0003
City Hall HVAC Repl	1.55M	(0.01M)	0.0005	(0.0001)	0.0004
PD North Renovation	7.15M	-	0.0023	-	0.0023
TOTAL	\$129.39M	\$3.65M	\$0.0417	\$0.0380	\$0.0797

City Hall Facility – Potential Depts

16

- ❑ Police Department North
- ❑ Community Development
- ❑ One-stop Development Services / Engineering
- ❑ Municipal Court
- ❑ City Manager/ Legal / Communications
- ❑ Finance
- ❑ Human Resources
- ❑ Information Technology

Options for City Hall

17

- ❑ Debt issue
- ❑ Public / private partnership

18

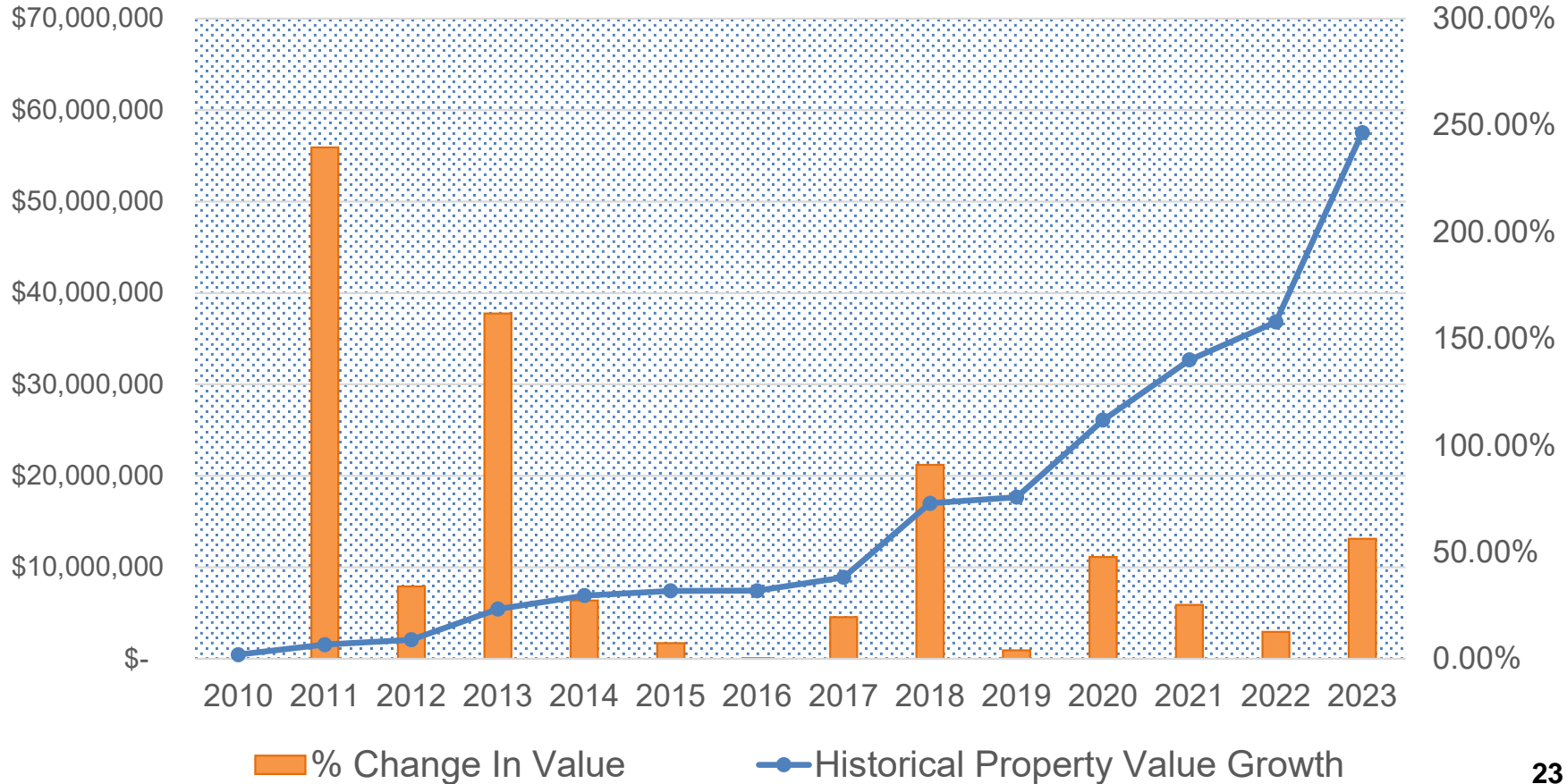
Tax Increment Reinvestment Zone (TIRZ)

TIRZ Potential Projects – Certificates of Obligation (CO) Bonds

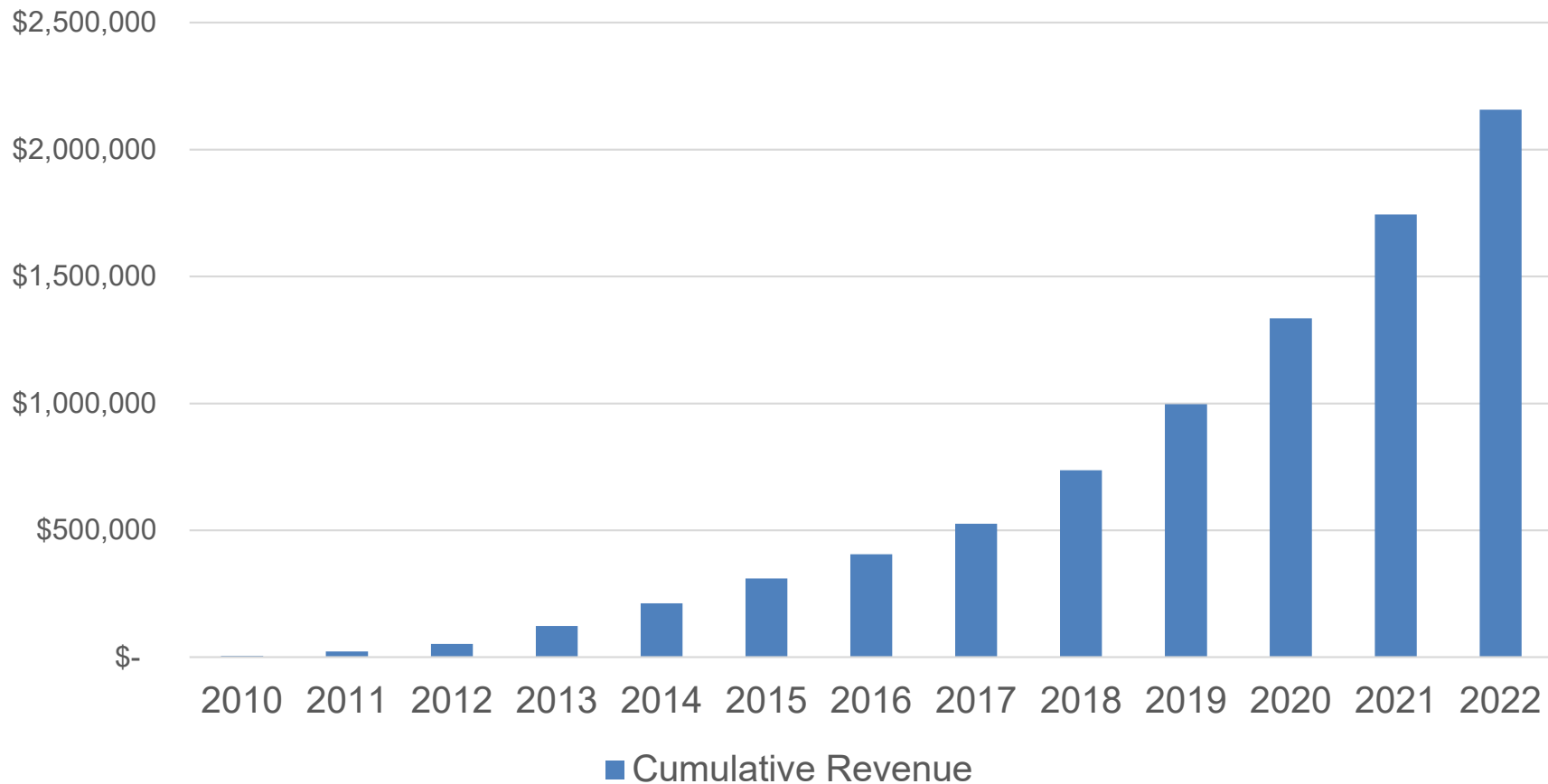
19

Project Description	Project Cost	Estimated Annual Debt Service
Rancier	\$24.00M	\$2.00M
Business Park Expansion	11.00M	0.90M
Streetscaping	5.00M	0.40M
Downtown Redevelopment	10.00M	0.80M
TOTAL	\$50.00M	\$4.10M

Property Value Growth Within the TIRZ Since Inception



Cumulative Revenue Since Inception



TIRZ Financial Forecast

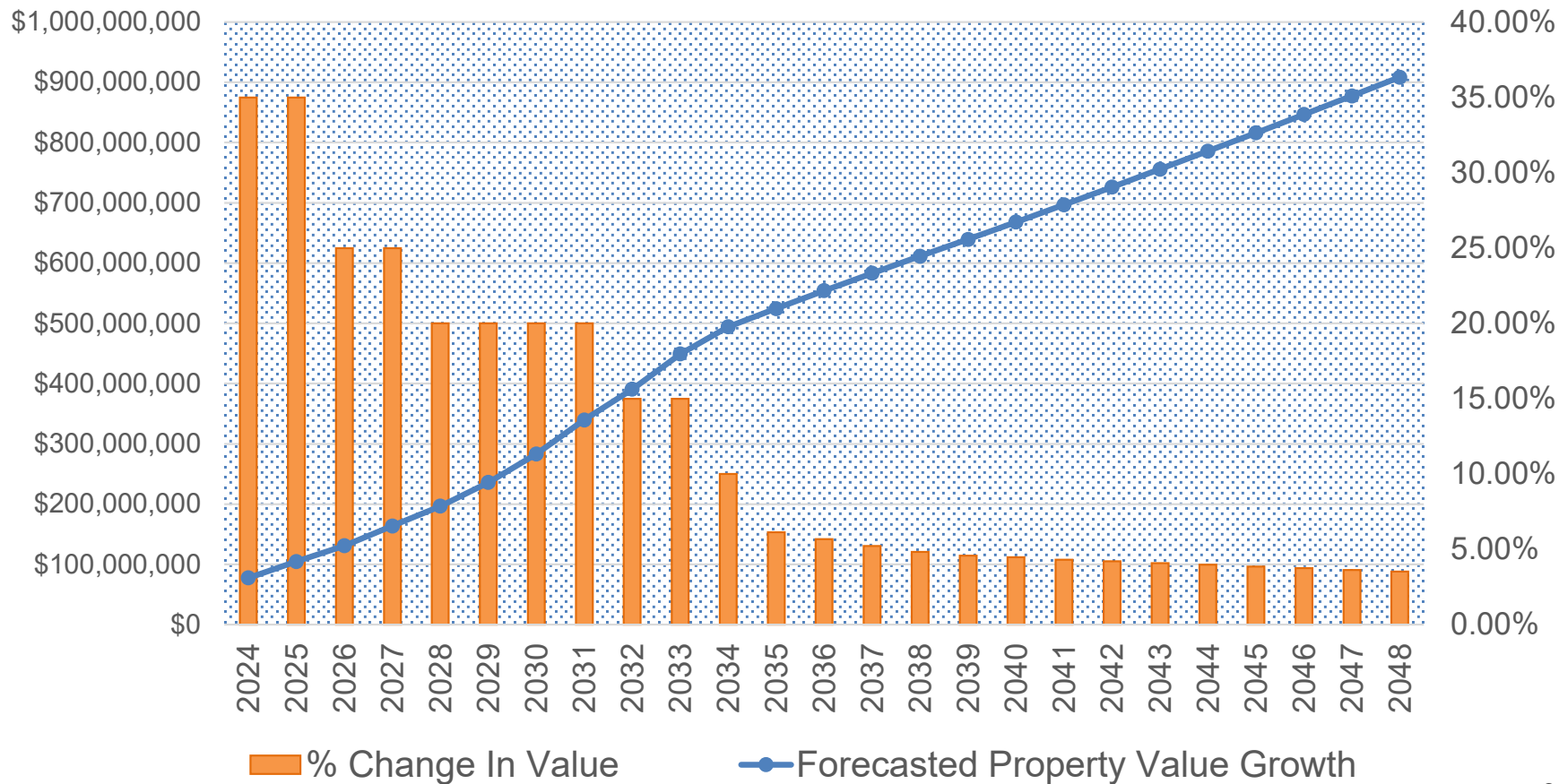
22

Fiscal Year	Tax Base	Estimated Growth	City of Killeen	Bell County	Central Texas College	Interest	Estimated Annual Revenue	Estimated Annual Expenditures	Cumulative Total
2021							\$ 1,744,793		
2022	\$ 36,829,202		\$ 238,532	\$ 125,498	\$ 38,099	\$ 10,232	412,361	\$ -	\$ 2,157,154
2023	57,537,155	56.23%	358,629	181,817	55,236	22,276	617,958	-	2,775,112
2024	77,675,159	35.00%	484,149	245,454	74,568	55,502	859,673	-	3,634,786
2025	104,861,465	35.00%	653,602	331,362	100,667	36,348	1,121,979	-	4,756,765
2026	131,076,831	25.00%	817,002	414,203	125,834	47,568	1,404,607	-	6,161,371
2027	163,846,039	25.00%	1,021,252	517,753	157,292	61,614	1,757,911	-	7,919,282
2028	196,615,247	20.00%	1,225,503	621,304	188,751	79,193	2,114,751	-	10,034,033
2029	235,938,296	20.00%	1,470,603	745,565	226,501	100,340	2,543,009	-	12,577,042
2030	283,125,955	20.00%	1,764,724	894,678	271,801	125,770	3,056,973	-	15,634,015
2031	339,751,147	20.00%	2,117,669	1,073,614	326,161	156,340	3,673,784	-	19,307,800
2032	390,713,819	15.00%	2,435,319	1,234,656	375,085	193,078	4,238,138	-	23,545,938
2033	449,320,891	15.00%	2,800,617	1,419,854	431,348	235,459	4,887,278	-	28,433,216
2034	494,252,980	10.00%	3,080,679	1,561,839	474,483	284,332	5,401,333	-	33,834,549
2035	524,543,754	6.13%	3,269,481	1,657,558	503,562	338,345	5,768,946	-	39,603,496
2036	554,292,899	5.67%	3,454,908	1,751,566	532,121	396,035	6,134,630	-	45,738,126
2037	583,293,608	5.23%	3,635,669	1,843,208	559,962	457,381	6,496,220	-	52,234,346
2038	611,495,377	4.83%	3,811,451	1,932,325	587,036	522,343	6,853,155	-	59,087,501
2039	639,478,473	4.58%	3,985,869	2,020,752	613,899	590,875	7,211,395	-	66,298,896
2040	668,054,762	4.47%	4,163,985	2,111,053	641,333	662,989	7,579,360	-	73,878,256
2041	696,866,562	4.31%	4,343,569	2,202,098	668,992	738,783	7,953,442	-	81,831,698
2042	726,134,958	4.20%	4,525,999	2,294,586	697,090	818,317	8,335,992	-	90,167,690
2043	755,813,617	4.09%	4,710,986	2,388,371	725,581	901,677	8,726,615	-	98,894,305
2044	785,852,821	3.97%	4,898,221	2,483,295	754,419	988,943	9,124,878	-	108,019,183
2045	816,199,544	3.86%	5,087,372	2,579,191	783,552	1,080,192	9,530,307	-	117,549,490
2046	846,797,551	3.75%	5,278,089	2,675,880	812,926	1,175,495	9,942,390	-	127,491,879
2047	877,587,524	3.64%	5,470,003	2,773,177	842,484	1,274,919	10,360,583	-	137,852,462
2048	908,507,202	3.52%	5,662,725	2,870,883	872,167	1,378,525	10,784,300	-	148,636,762
							<u>\$ 148,636,762</u>	<u>\$ -</u>	

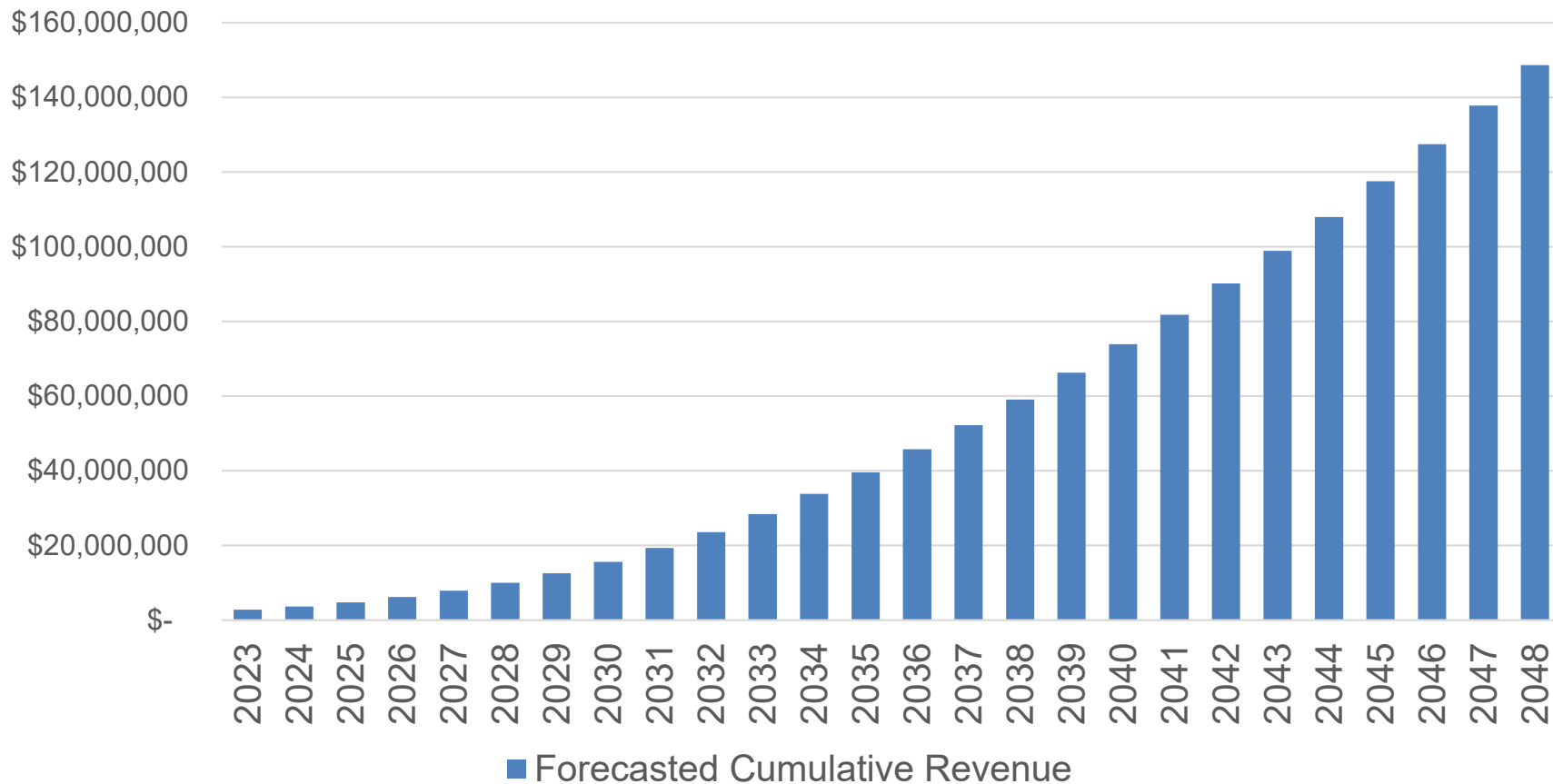
¹ - Based on certified value provided by Tax Appraisal District of Bell County as of 7/15/2022

² - Based on proposed tax rate for FY 2023

Forecasted Property Value Growth Within the TIRZ



Forecasted Cumulative Revenue

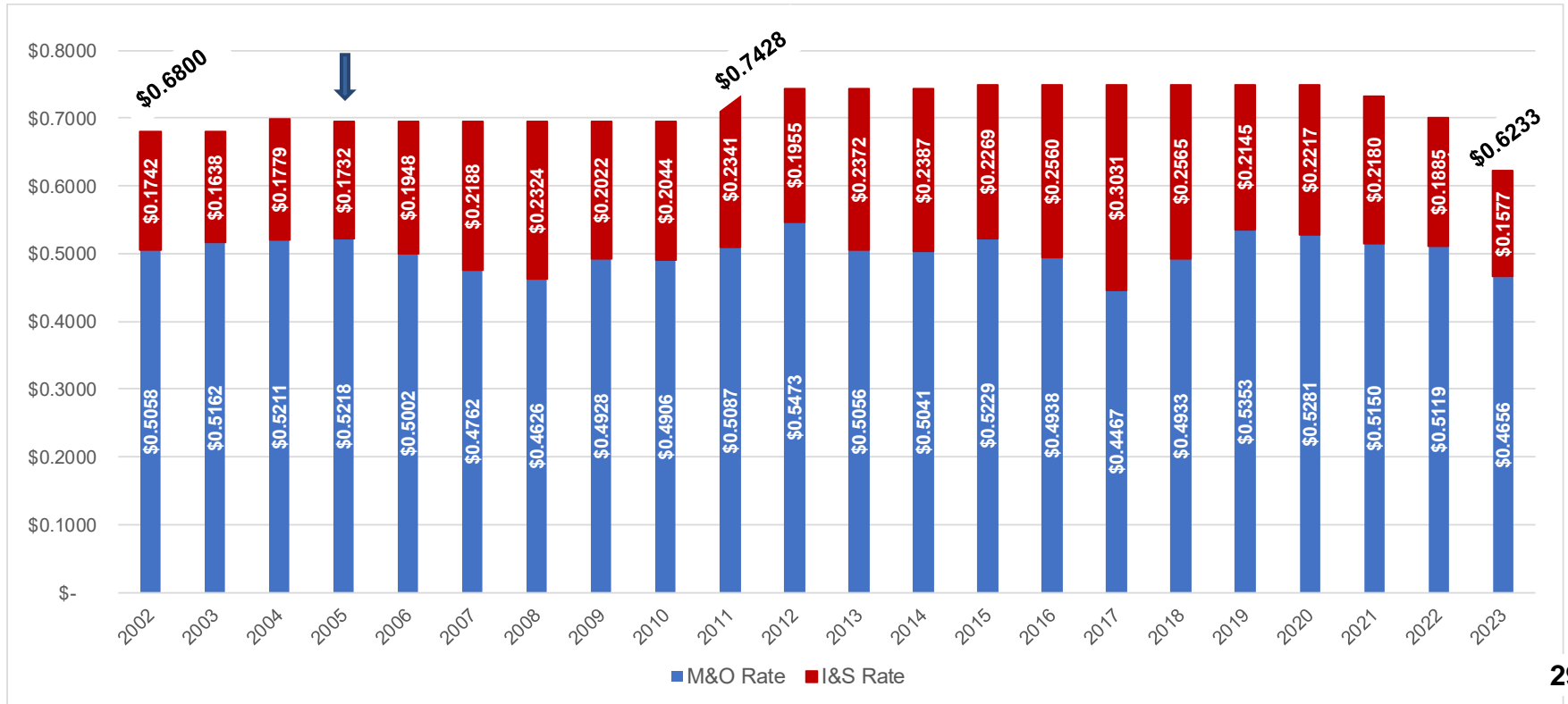


25

Tax Rate

Tax Rate History

26



Tax Rate Impact

27

Fiscal Year	M&O Rate	I&S Rate	Total Tax Rate	Increase
2023	\$0.4656	\$0.1577	\$0.6233	
2024	0.4656	0.1977	0.6633	\$0.0400
2025	0.4906	0.1977	0.6883	0.0250
2026	0.4906	0.2329	0.7235	0.0352
2027	0.5157	0.2329	0.7486	0.0251
2028	0.5157	0.2329	0.7486	
2029	0.5157	0.2329	0.7486	

Alternatives

28

- ❑ Do nothing
- ❑ Issue Certificate of Obligation Bonds for current debt capacity
- ❑ Call election for General Election Bonds
- ❑ Pending election results, issue Certificates of Obligation Bonds and/or General Election Bonds