

City of Woodcreek Special City Council Meeting

July 20, 2017; 11:00 a.m.

Woodcreek, Texas

NOTICE/AGENDA

This notice is posted pursuant to the Texas Open Meetings Act (Vernon's Texas Codes Ann. Gov. Code Chapter 551). The Woodcreek City Council will hold a Workshop on July 20, 2017, at 11:00 a.m. at Woodcreek City Hall, 41 Champions Circle, Woodcreek, Texas at which time the following items will be considered:

1. Call to Order
2. Invocation
3. Pledge of Allegiance:
 - A. To the Flag of the United States of America
 - B. To the Great State of Texas
4. Roll Call
5. Blue Ribbon Committee Report
6. Discuss the History of Impervious Cover in City of Woodcreek Ordinances.
7. 2017-2018 Budget Discussion
8. Adjourn

Executive sessions held during this meeting will generally take place in the City Manager's office, at the discretion of the City Council.

The City Council may retire to executive session any time between the meeting's opening and adjournment for the purpose of consultation with legal counsel pursuant to Chapter 551.071 of the Texas Government Code; discussion of personnel matters pursuant to Chapter 551.074 of the Texas Government Code; deliberation regarding real property pursuant to Chapter 551.072 of the Texas Government Code; deliberation regarding economic development negotiations pursuant to Chapter 551.087 of the Texas Government Code; and/or deliberation regarding the deployment, or specific occasions for implementation of security personnel or devices pursuant to Chapter 551.076 of the Texas Government Code. Action, if any, will be taken in open session.

This agenda has been reviewed and approved by the City's legal counsel and the presence of any subject in any Executive Session portion of the agenda constitutes a written interpretation of Texas Government Code Chapter 551 by legal counsel for the governmental body and constitutes an opinion by the attorney that the items discussed therein may be legally discussed in the closed portion of the meeting considering available opinions of a court of record and opinions of the Texas Attorney General known to the attorney. This provision has been added to this agenda with the intent to meet all elements necessary to satisfy Texas Government Code Chapter 551.144(c) and the meeting is conducted by all participants in reliance on this opinion.

Attendance By Other Elected or Appointed Officials:

It is anticipated that members of other city board, commissions and/or committees may attend the meeting in numbers that may constitute a quorum of the other city boards, commissions and/or committees. Notice is hereby given that the meeting, to the extent required by law, is also noticed as a meeting of the other boards, commissions and/or committees of the City, whose members may be in attendance. The members of the boards, commissions and/or committees may participate in discussions on the same items listed on the agenda, which occur at the meeting, but no action will be taken by such in attendance unless such item and action is specifically provided for on an agenda for that board, commission or committee subject to the Texas Open Meetings Act.

The City of Woodcreek is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. Please call the City Secretary's Office at 512-847-9390 for information. Hearing-impaired or speech disabled persons equipped with telecommunications devices for the deaf may call 7-1-1 or may utilize the statewide Relay Texas program at 1-800-735-2988.

Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly.

I certify that the above notice was posted on the 21st day of July 2017 at 2:50 p.m.

By: Brenton B. Lewis
Brenton B. Lewis, City Manager

Woodcreek Workshop
July 20, 2017

History of Impervious Cover Changes City of Woodcreek

Nov. 16, 2000 to Feb. 8, 2006 – Zoning Ordinance 00-65 to 06-650 – Impervious cover varied by zoning districts – ex. 10% in Recreational area, 30% in Neighborhood Commercial, 35% in Single Family-1, 55% in 4PLX

Oct. 20, 2006 – Enacted Ord. 06-103 - Water Quality Protection Ordinance implementing the Regional Water Quality Protection Plan for the Barton Springs Segment of the Edwards Aquifer and its Contributing Zone (Regional Plan).

Jan. 10, 2007 – Enacted Ord. 06-103A – Water Quality Protection Amendments – supports Regional Water Quality Protection Plan for the Barton Springs Segment of the Edwards Aquifer and its contributing Zone (Regional Plan) adopted June 2005. Supports Groundwater Management Plan adopted by Hays Trinity Groundwater Conservation District August, 2005.

6.1 – Maximum limitations on impervious cover are established as follows on developments for which a site development plan is first filed after the effective date of this Ordinance:

Location	Zone	Maximum Cover
ETJ	Recharge	10%
ETJ	Contributing	35%
City Limits	Contributing	50%

6.2 – Maximum impervious cover for property located in specific districts in the City Limits may be governed by the City's Zoning Ordinance. To the extent the provisions of the Zoning Ordinance conflict with this Ordinance, the Zoning Ordinance shall govern.

Jan. 13, 2010 – Enacted Ord. 10-135 - Water Quality Protection Amendment – due to Hays-Trinity Groundwater District informing the City on Nov. 25, 2009 that the entire city and ETJ lies within Trinity Aquifer recharge zone and contains numerous Critical Environmental Features, including sinkholes and fractures.

6.1 – A 25% maximum limitation on impervious cover is established for developments for which a site development plan is first filed after the effective date of this Chapter.

Feb. 10, 2010 – Enacted Ord. 10-139 – Water Quality Protection Amendments –

6.2 – Although maximum impervious cover for property located in specific districts in the City Limits may also be governed by the City's Zoning Ordinance, to the extent the provisions of the Zoning Ordinance conflict with this Ordinance, this Ordinance shall govern.

June 11, 2014 – Enacted 14-194 amending Chapter 50 – Water Quality –

Sec. 50.37 – Impervious Cover – Changed maximum limitation from 25% to 30%.

May 14, 2014 - City Council approved a motion to amend the Water Quality Protection Ordinance to increase the maximum allowable residential impervious cover to 35%. (Agenda Item 10K– Discussion and possible action to amend the Water Quality Protection Ordinance to increase the maximum allowable residential impervious cover from 25% to 30%).

May 21, 2014 – City Council rescinded the Council's action of May 14, 2014, Agenda Item 10K, to increase Impervious Cover limits to 35%, due to insufficient notice of the action in accordance with the Texas Open Meetings Act.

June 11, 2014 – City Council adopted Ordinance 14-194, amending Chapter 50 (Water Quality) to increase Impervious Cover limit to 30%.



A Division of Hilltop Securities.

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**Street Repair Funding Program
and
Tax Note, Series 2017 Plan of Finance**

City of Woodcreek, Texas

July 14, 2017

Street Repair Program Phase 1 Plan of Finance

- **The City of Woodcreek, Texas (the “City”) will fund \$1,000,000 of street improvements through the issuance of Tax Note, Series 2017 (the “Note”)**
- **The Note would be sold through a competitive private placement transaction. No bond rating, official statement or bond underwriter involved**
- **The City would engage a placement agent for effective marketing of the Note**

Structure and Assumptions

- **Tax exempt bank qualified fixed interest rates through maturity**
- **Level debt service structure**
- **Total project fund of \$1,000,000**
- **7 year amortization**
 - **Interest will be payable semiannually on February 15 and August 15 (beginning on February 15, 2018)**
 - **Principal will be payable annually on February 15 (beginning on February 15, 2018)**

Preliminary Cash Flows

City of Woodcreek, Texas

Tax Note, Series 2017 - Preliminary Cash Flows

As of July 10, 2017

Fiscal Year Ending 30-Sep	Estimated Growth Factor ⁽¹⁾	Taxable Assessed Valuation ⁽²⁾	\$1,050,000 Tax Notes, Series 2017 True Interest Cost = 3.00% ⁽³⁾			Projected I&S Tax Rate Impact ⁽⁴⁾
			Principal	Interest	Total D/S	
2017		\$177,980,749	\$ -	\$ -	\$ -	\$ -
2018	1.57%	180,781,810	140,000	25,638	165,638	0.0916
2019	0.00%	180,781,810	141,000	25,185	166,185	0.0919
2020	0.00%	180,781,810	145,000	20,895	165,895	0.0918
2021	0.00%	180,781,810	149,000	16,485	165,485	0.0915
2022	0.00%	180,781,810	154,000	11,940	165,940	0.0918
2023	0.00%	180,781,810	158,000	7,260	165,260	0.0914
2024	0.00%	180,781,810	163,000	2,445	165,445	0.0915
			\$1,050,000	\$109,848	\$1,159,848	

Notes:

- (1) Assumes 0% growth thereafter for purposes of illustration only.
- (2) Actual values for Tax Year 2016 and preliminary values for Tax Year 2017 as provided by Hays County Appraisal District. Assumes no growth for purposes of illustration.
- (3) Assumes 3.00% interest for purposes of illustration only. Subject to Change at Anytime.
- (4) Projected I&S tax rate impact after issuance of Tax Notes, Series 2017. Assumes 100% collections for purposes of illustration only.

Street Repair Program Phase 2 Scenarios (2 of 3)

City of Woodcreek, Texas

Tax Notes Series 2017 and General Obligation Refunding & Improvement Bonds, Series 2018

As of July 10, 2017

Preliminary; For Discussion Purposes Only

Project Fund = \$10,000,100

Fiscal Year Ending 30-Sep	Estimated Growth Factor ⁽¹⁾	Taxable Assessed Valuation ⁽²⁾	\$1,050,000 Tax Notes, Series 2017 True Interest Cost = 3.00% ⁽³⁾			Projected I&S Tax Rate Impact ⁽⁴⁾	Less Refunded Tax Notes Series 2017 Debt Service	\$10,110,000 General Obligation Refunding & Improvement Bonds, Series 2018 True Interest Cost = 4.34% ⁽⁵⁾			NET NEW I&S Tax Supported Debt Service	NEW Projected I&S Tax Rate Impact ⁽⁶⁾
			Principal	Interest	Total D/S			Principal	Interest	Total D/S		
2017		\$177,980,749	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	1.57%	180,781,810	140,000	25,638	165,638	0.0916	(13,650)	-	35,845	35,845	187,833	0.1039
2019	0.00%	180,781,810	141,000	25,185	166,185	0.0919	(166,185)	285,000	388,566	673,566	673,566	0.3726
2020	0.00%	180,781,810	145,000	20,895	165,895	0.0918	(165,895)	290,000	383,377	673,377	673,377	0.3725
2021	0.00%	180,781,810	149,000	16,485	165,485	0.0915	(165,485)	295,000	377,703	672,703	672,703	0.3721
2022	0.00%	180,781,810	154,000	11,940	165,940	0.0918	(165,940)	300,000	371,497	671,497	671,497	0.3714
2023	0.00%	180,781,810	158,000	7,260	165,260	0.0914	(165,260)	305,000	364,672	669,672	669,672	0.3704
2024	0.00%	180,781,810	163,000	2,445	165,445	0.0915	(165,445)	320,000	357,072	677,072	677,072	0.3745
2025	0.00%	180,781,810	-	-	-	-	-	325,000	348,275	673,275	673,275	0.3724
2026	0.00%	180,781,810	-	-	-	-	-	335,000	338,238	673,238	673,238	0.3724
2027	0.00%	180,781,810	-	-	-	-	-	345,000	327,183	672,183	672,183	0.3718
2028	0.00%	180,781,810	-	-	-	-	-	360,000	315,069	675,069	675,069	0.3734
2029	0.00%	180,781,810	-	-	-	-	-	370,000	301,887	671,887	671,887	0.3717
2030	0.00%	180,781,810	-	-	-	-	-	385,000	287,401	672,401	672,401	0.3719
2031	0.00%	180,781,810	-	-	-	-	-	400,000	271,478	671,478	671,478	0.3714
2032	0.00%	180,781,810	-	-	-	-	-	420,000	254,316	674,316	674,316	0.3730
2033	0.00%	180,781,810	-	-	-	-	-	435,000	236,123	671,123	671,123	0.3712
2034	0.00%	180,781,810	-	-	-	-	-	455,000	216,873	671,873	671,873	0.3716
2035	0.00%	180,781,810	-	-	-	-	-	475,000	196,457	671,457	671,457	0.3714
2036	0.00%	180,781,810	-	-	-	-	-	500,000	174,784	674,784	674,784	0.3733
2037	0.00%	180,781,810	-	-	-	-	-	520,000	151,883	671,883	671,883	0.3717
2038	0.00%	180,781,810	-	-	-	-	-	545,000	127,758	672,758	672,758	0.3721
2039	0.00%	180,781,810	-	-	-	-	-	570,000	102,307	672,307	672,307	0.3719
2040	0.00%	180,781,810	-	-	-	-	-	595,000	75,420	670,420	670,420	0.3708
2041	0.00%	180,781,810	-	-	-	-	-	625,000	46,742	671,742	671,742	0.3716
2042	0.00%	180,781,810	-	-	-	-	-	655,000	15,949	670,949	670,949	0.3711
			\$ 1,050,000	\$ 109,848	\$ 1,159,848		\$ (1,007,860)	\$ 10,110,000	\$ 6,066,871	\$ 16,176,871	\$ 16,328,859	

Notes:

- (1) Assumes 0% growth thereafter for purposes of illustration only.
- (2) Actual values for Tax Year 2016 and preliminary values for Tax Year 2017 as provided by Hays County Appraisal District. Assumes no growth for purposes of illustration.
- (3) Assumes 3.00% interest for purposes of illustration only. **Subject to Change at Anytime.**
- (4) Projected I&S tax rate impact after issuance of Tax Notes, Series 2017. Assumes 100% collections for purposes of illustration only.
- (5) Assumes 'A' Rated Bank Qualified Insured Interest Rates plus 1.00%. **Subject to Change at Anytime.**
- (6) Projected I&S tax rate impact after refunding of Tax Notes, Series 2017 and issuance of General Obligation Refunding & Improvement Bonds, Series 2018.

Key Dates, Action Items and Timing

July 20, 2017 – Regular City Council Meeting

- City Council considers and approves Citywide Street Maintenance and Renovation Program

July 25, 2017

- Tax Year 2017 / 2018 Taxable Assessed Value certified by Hayes County Appraisal District

August 9, 2017 – Regular City Council Meeting

- City Council considers and approves an Ordinance issuing Tax Note, Series 2017

Before Closing – Attorney General Reviews and Approves Issuance of Tax Note, Series 2017

September 13, 2017

- Closing and delivery of funds to the City

February 15, 2018

- First Interest and Principal Payment on the Note

Financing the Brookhollow Project

OVERVIEW

Roads and streets in Woodcreek date from the time when developers first began building out the development. Many are nearing forty years in age. Except for repairs, no reconstruction has been undertaken. Maintenance costs are nearing \$90,000 per year and increasing.

The Woodcreek 2020 Plan is being updated for 2030 at this time, and citizen input from the survey recently done tells us that the number one concern is **road and street improvement**.

Currently roads are maintained with a method called 'Chip Seal.' Issues include increasing numbers of potholes, edge breaks which act to narrow the roadbed, and uneven surfaces. Traffic safety is also a growing concern as volume increases.

Mayor Eric Eskelund appointed a Blue Ribbon Committee to examine the information developed by the city's engineering firm **Jones & Carter** and financial advisor **First Southwest**, and to make recommendations on process and financing of reconstruction of Woodcreek's streets. Members of that committee are John Epley, John Lewis, Gordon Marsh, Brent Pulley and Bill Tomlinson. This first phase of the reconstruction is to be Brookhollow Drive from Woodcreek Drive to where it terminates and T's into Augusta Drive.

ASSUMPTIONS

The Committee, from its meetings with Jones & Carter, assumes that

- **All road bases will be rebuilt**
- **Roads will be 22 feet wide**
- **All roads will have edge treatment to prevent edge breakage**
- **Road surfaces will be either**
 - Hot Mix (HMAC), a mix of asphalt and concrete
 - Concrete
 - Or a combination of both

CONSTRUCTION COSTS AND MAINTENANCE REQUIREMENTS

Probable costs estimated by Jones & Carter for reconstructing using HMAC are \$220 per linear foot. The roadbed would include 6 inches of subgrade, 6 inches of base, and 1 ½ inches of HMAC pavement, or 14 inches total.

Estimated costs for reconstructing using concrete are \$252 per linear foot. The roadbed would have 6 inches of subgrade and 6 inches of concrete pavement(12 in. total).

(NOTE:Brookhollow Drive from Woodcreek Drive to where it terminates at Augusta Drive is 4360 linear feet).

The estimated life of HMAC is 25 years. Cracks would require sealing every 5-6 years, at a cost of \$5,000 per mile.. Seal coats would be needed every 8-9 years, at a cost of \$50,000 per mile. At the end of 25 years, the expectation is that the existing HMAC surface would need to be milled and relaid, at a cost of \$300,000 per mile. The cycle would repeat.

Concrete has an estimated life of forty years. Life cycle costs for concrete, according to Jones & Carter, are pretty much non-existent over the 25 year timeframe.

BROOKHOLLOW ESTIMATED COSTS OVER 25 YEARS

HMAC	1,818,250	(\$959,200 construction plus \$859,000 maintenance)
Concrete	\$1,098,720	(Minimal maintenance)

Note: Cost estimates include a contingency factor of 15%

FINANCE

Traditional sources for municipal revenues include ad valorem taxes, sales tax receipts and utility charges. The City of Woodcreek receives only minimal sales tax receipts and owns no utilities. City government takes pride in not having raised taxes in several years. **The current rate is \$0.13 per \$100 of valuation, or about \$390 per year for a \$300,000 home in Woodcreek.** The balance of annual taxes paid by homeowners goes to the state, the county, schools, etc. **Woodcreek currently has no debt.**

According to financial advisor First Southwest, **the median ad valorem tax rate for cities in Texas is \$0.60 per \$100 valuation, or \$1,800 for a \$300,000 home.** This includes cities of the proximate size of the City of Woodcreek.

There are generally two methods available to cities to finance capital projects. **General Obligation Bonds (GO Bonds)** can have maturities up to 40 years. They require a credit rating by firms such as Standard & Poors (S&P) and voter approval in a general election, held in either November or May.

The second method is **Tax Notes**. These can be approved by a city council, have a maturity of no more than seven years, and do not require obtaining a credit rating. The process is much quicker and easier than GO Bonds and allows construction to begin within a month or two of approval. The Notes can later be refinanced using Government Obligation Bonds to extend the maturity and lower interest expense.

BROOKHOLLOW DRIVE

Brookhollow Drive is considered **Phase 1** of the rebuilding of the streets and roads in Woodcreek. Brookhollow crosses Hog Creek at a low water crossing. The existing culverts are 4 ft diameter round galvanized steel which is deteriorating. A better solution is to replace them with 4 ft square concrete box culverts. This will allow for better passage of floating debris while maintaining water flow and levels.

RECOMMENDATION

Based on our research and findings, this Committee recommends that the Woodcreek City Council prepare and approve an ordinance to proceed with the Brookhollow Project employing:

1. Concrete Pavement
2. Box Culverts at Hog Creek
3. Traffic Calming Devices where appropriate

The Committee further recommends financing this project utilizing Tax Notes in the approximate amount of \$1.1 million dollars. The assumed interest rate is 3%, although that is ultimately determined by the market. This would require an incremental ad valorem tax rate of \$.09 per \$100 of valuation, or about \$270 for a \$300,000 home. This process allows for rapid approval, with bids likely let in September and construction getting underway in October. The construction process should take 3-4 months.

The Tax Notes would mature in seven years but would likely be refunded in 2018 as part of the next phase of reconstruction, with approval by voters of a GO Bond in a general election in May.

Attachments

- (1) Jones & Carter-Estimated Costs per Linear Foot
- (2) First Southwest- Estimated Project Costs, Phase 1 and Beyond

**TRAFFIC IMPROVEMENT PROGRAM
PRELIMINARY OPINION OF PROBABLE COSTS
CITY OF WOODCREEK**

Woodcreek Streets to Rehabilitate			2 Course	HMAC		Concrete	
	Price per	Linear Foot	\$ 210 /LF	\$ 220 /LF	\$ 252 /LF		
Augusta Dr.	6020	LF	\$ 1,264,200	\$ 1,324,400	\$ 1,517,040		
Augusta Ln.	1425	LF	\$ 299,250	\$ 313,500	\$ 359,100		
Brookhollow Dr. (in design)	4360	LF	\$ 915,600	\$ 959,200	\$ 1,098,720		
Brookmeadow Dr.	4060	LF	\$ 852,600	\$ 893,200	\$ 1,023,120		
Brookside Dr.	710	LF	\$ 149,100	\$ 156,200	\$ 178,920		
Canyon Creek Dr.	2060	LF	\$ 432,600	\$ 453,200	\$ 519,120		
Champions Cir.	5290	LF	\$ 1,110,900	\$ 1,163,800	\$ 1,333,080		
Country Ln.	1350	LF	\$ 283,500	\$ 297,000	\$ 340,200		
Cypress Point Dr.	1620	LF	\$ 340,200	\$ 356,400	\$ 408,240		
Deerfield Dr.	1080	LF	\$ 226,800	\$ 237,600	\$ 272,160		
Doolittle Dr.	3140	LF	\$ 659,400	\$ 690,800	\$ 791,280		
Jack Miller Dr.	630	LF	\$ 132,300	\$ 138,600	\$ 158,760		
Overbrook Ct.	790	LF	\$ 165,900	\$ 173,800	\$ 199,080		
Par View Dr.	1240	LF	\$ 260,400	\$ 272,800	\$ 312,480		
Pebblebrook Ln.	1850	LF	\$ 388,500	\$ 407,000	\$ 466,200		
Shady Grove Ln.	1320	LF	\$ 277,200	\$ 290,400	\$ 332,640		
Stonehouse Cir.	820	LF	\$ 172,200	\$ 180,400	\$ 206,640		
Westwood Dr.	1040	LF	\$ 218,400	\$ 228,800	\$ 262,080		
Wildwood Cir.	880	LF	\$ 184,800	\$ 193,600	\$ 221,760		
Woodcreek Dr.	5770	LF	\$ 1,211,700	\$ 1,269,400	\$ 1,454,040		
Remaining Streets	6501	LF	\$ 1,365,210	\$ 1,430,220	\$ 1,638,252		
TOTAL*	51956	LF	\$10,910,760	\$11,430,320	\$13,092,912		

*This total estimate includes 15% contingency for Engineering, Surveying, and Testing Fees.

ESTIMATED PAVEMENT MAINTENANCE COSTS

HMAC pavement (assume 25-year design life):

1. Assume crack sealing every 5-6 years.
2. Assume a new seal coat every 7-9 years.
3. Assume at or after pavement design life will require milling up the existing and replacing the HMAC and making some base repairs

Assuming 11, 700 sq. yds of pavement per mile and using 9.84 miles of pavement, the cost breakdown (present value) is:

Year 5/6 – assume crack seal is \$5,000 per mile x 9.84 mi = \$49,200
Year 9 – assume seal coat is \$50,000 per mile x 9.84 mi = \$492,000
Year 14/15 – assume crack seal is \$5,000 per mile x 0.84 mi = \$49,200
Year 17 – assume seal coat is \$50,000 per mile x 9.84 mi = \$492,000
Year 22/23 – assume crack seal is \$5,000 per mile x 9.84 mi = \$49,200
Year 25 – assume milling existing HMAC, making needed base repairs and new HMAC is \$300,000 per mile x 9.84 mi = \$2,952,000.

Estimate Maintenance Cost first 25 years is \$4,083,600
After 50 years, Estimated Maintenance Costs are \$8,167,200

Concrete pavement (assume 50-yr design):

1. Estimated Maintenance Costs for concrete pavement are negligible over 50 years.

NOTE: Estimated Maintenance Costs do not include costs for major repairs. Both pavement types are subject to similar failures with similar frequencies of occurrence and with similar estimated repair costs for each.