



City of Austin

Recommendation for Action

File #: 24-6148, **Agenda Item #:** 16.

11/21/2024

Posting Language

Approve an ordinance authorizing the issuance of City of Austin, Texas Special Assessment Revenue Bonds, Series 2024 (Whisper Valley Public Improvement District Improvement Area #3) in an amount not to exceed \$11,990,000 to reimburse the owner and/or the developer of the district for the construction of water, wastewater and road infrastructure, fund a debt service reserve fund, and pay costs related to issuing the bonds; and authorizing all related documents and fees. Funding: No ad valorem taxes or other revenue of the City will be pledged to the payment of the bonds.

Lead Department

Financial Services Department

Fiscal Note

The bonds will be paid from special assessments levied on the property within Improvement Area #3 of the Whisper Valley Public Improvement District. No ad valorem taxes or other revenue of the City will be pledged to the payment of the bonds.

Prior Council Action:

August 26, 2010 - Council approved a resolution authorizing the creation of a Public Improvement District for the Whisper Valley area. Council approved an ordinance annexing the Whisper Valley annexation area for limited purposes of planning and zoning.

November 3, 2011 - Council approved an ordinance accepting and approving a Service and Assessment Plan and Assessment Roll. Council approved an ordinance authorizing the issuance of City of Austin Texas Special Assessment Revenue Bonds, Senior Series 2011 (Whisper Valley Public Improvement District), in an amount not to exceed \$16,500,000 and approved an ordinance authorizing the issuance of City of Austin, Texas Special Assessment Revenue Bonds, Subordinate Series 2011 (Whisper Valley Improvement District), in an amount not to exceed \$18,800,000.

June 28, 2018 - Council approved a resolution adopting the 2019 Annual Service and Assessment Plan Update (as it relates to the Master Improvement Area) and the Preliminary 2018 Addendum to the Service and Assessment Plan (as it relates to the Improvement Area #1).

August 23, 2018 - Council approved an ordinance levying assessments on Whisper Valley Public Improvement District Improvement Area #1 and accepting and approving the 2018 Addendum to the Service and Assessment Plan and Assessment Roll for Improvement Area #1.

February 7, 2019 - Council approved an ordinance ratifying and confirming Ordinance No. 20180823-073.

March 28, 2019 - Council approved an ordinance authorizing the issuance of City of Austin, Texas Special Assessment Revenue Bonds, Series 2019 (Whisper Valley Public Improvement District Improvement Area #1), in an amount not to exceed \$4,500,000 and authorizing all related documents and fees.

October 1, 2020 - Council approved an ordinance levying assessments on Whisper Valley Public Improvement

District Improvement Area #2 and accepting and approving the 2020 Amended and Restated Service and Assessment Plan for Whisper Valley Public Improvement District and Assessment Roll for Improvement Area #2.

December 1, 2022 - Council approved an ordinance authorizing the issuance of City of Austin, Texas Special Assessment Revenue Bonds, Series 2022 (Whisper Valley Public Improvement District Improvement Area #2) and authorizing all related documents and fees.

August 31, 2023 - Council approved an ordinance levying assessments on Whisper Valley Public Improvement District Improvement Area #3 and accepting and approving the 2023 Amended and Restated Service and Assessment Plan for Whisper Valley PID and Assessment Roll for Improvement Area #3.

For More Information:

Belinda Weaver, Treasurer, 512-974-7885.

Additional Backup Information:

Whisper Valley is a mixed-use planned community located in the SH 130 corridor in the City of Austin’s Desired Development Zone. The Whisper Valley property (2,065 acres) was purchased by Taurus of Texas Holdings L.P. in June 2006 and is located east of SH 130, at FM 973, and south of US-290 East in east central Travis County. The site plan includes approximately 7,500 single and multi-family homes, and more than 2 million square feet of retail and office space. In addition, 700 acres of open space is to be dedicated to the City for use as trails and parkland.

The Public Improvement District (PID) provides the financing mechanism through the apportionment, levy and collection of assessments, paid by property owners in the PID, to repay the issuance of special assessment PID debt issued to finance infrastructure for the planned community (water, wastewater and roads). In October 2022, the developer completed construction of the authorized infrastructure benefitting Improvement Area #3. Accordingly, the bonds will be used to reimburse the owner/developer for their upfront funding of the authorized infrastructure in Improvement Area #3. Bond proceeds will also be used to fund a Debt Service Reserve Fund and pay costs of issuance.

Improvement Area #3 consists of approximately 112 acres and is ultimately expected to consist of 363 single family residential units, 48 acres of community trails, passive amenities and private open space. As of October 1, 2024, 56 homes constructed by homebuilders and 307 lots have been developed.

Whisper Valley PID Special Assessment Revenue Bonds

	Serie	Ordinance	Issued Amount	Outstanding Amount
Senior Bonds	21	20111103-054	\$16,500,000	\$4,575,000*
Subordinate Bonds	21	20111103-055	\$18,800,000	Paid in full
Improvement Area #1 Bonds	29	20190328-008	\$4,500,000	\$4,225,000*
Improvement Area #2 Bonds	22	20221201-006	\$6,820,000	\$6,727,000*
Improvement Area # 3 Bonds	24	TBD	\$11,990,000**	New Proposed Issuance

*Amount outstanding as of October 1, 2024

**Preliminary, subject to change. To be finalized on the date of bond pricing.

This transaction will be sold through Stifel, Nicolaus & Company as the underwriter. Norton Rose Fulbright US LLP will serve as bond counsel and McCall, Parkhurst & Horton L.L.P. will serve as disclosure counsel. PFM Financial Advisors, LLC. is the City's financial advisor.