



CITY OF MCKINNEY, TEXAS

Legislation Details (With Text)

File #: 23-0810 **Name:** MUD 1 & 2 Bond Authority Consent
Type: Resolution **Status:** Approved
In control: City Council Regular Meeting
On agenda: 10/2/2023 **Final action:** 10/2/2023
Title: Consider/Discuss/Act on a Resolution Authorizing a Third Amendment to Consent Agreements Regarding Bond Authority for Two (2) Existing Municipal Utility Districts: Municipal Utility District No. 1 and Municipal Utility District No. 2 - Trinity Falls
Indexes:
Attachments: 1. Resolution

Date	Ver.	Action By	Action	Result
10/2/2023	1	City Council Regular Meeting		

Consider/Discuss/Act on a Resolution Authorizing a Third Amendment to Consent Agreements Regarding Bond Authority for Two (2) Existing Municipal Utility Districts: Municipal Utility District No. 1 and Municipal Utility District No. 2 - Trinity Falls

COUNCIL GOAL: Direction for Strategic & Economic Growth

MEETING DATE: October 2, 2023

DEPARTMENT: City Manager

CONTACT: Kim Flom, Assistant City Manager
Michael Quint, Executive Director of Development Services
Mark Houser, City Attorney
Mark Holloway, Finance Director

RECOMMENDED CITY COUNCIL ACTION: Approve Resolution

ITEM SUMMARY:

- The current Owner and applicant, Trinity Falls Holdings, LP, a Delaware limited partnership is requesting approval of the second amendment to consent agreements that would increase the amount of debt available for issuance by the two (2) MUDs, in the aggregate from \$318,000,000 to \$348,000,000.
- If approved, the increased bond authority will allow the Owner to continue to honor its obligations under the governing regulations for items such as infrastructure facilities and roadway construction.

Specifically, the consent agreement amendments embody terms of the City’s consent particularly in the areas of debt issuance, debt limits, and expenditures. The proposed consent agreements would authorize \$348,000,000 in aggregate bond debt issued by MUD #1 and MUD #2, plus an annual 3% escalation amount added to authorized, but unissued, bond debt.

The proposed \$348,000,000 for MUD #1 and MUD #2 is an increase of \$30,000,000 over the current amount authorized under the agreements approved in May 2022. The Districts will be obligated for the ongoing performance of certain Owner responsibilities after the expiration of the Development Agreement, such as the Park Fee, police and fire services and the Collin County Outer Loop escrow/conveyance. Staff recommends approval of the proposed consent agreements.

BACKGROUND INFORMATION:

- On December 5, 2006, the City of McKinney approved a Consent Ordinance and interrelated agreements with Marlin Atlantis, the former developer of the then approximately 1,600 acre property within McKinney's ETJ known as Trinity Falls, allowing the creation of two Municipal Utility Districts (MUDs).
- On December 4, 2012, the City of McKinney approved consent agreements authorizing \$103,000,000 (MUD No. 1) and \$94,000,000 (MUD No. 2) in bond debt.

On July 19, 2016, the City of McKinney approved the first amendment to the consent agreements regarding bond authority for MUD No. 1 and MUD No. 2, authorizing \$262,800,000 in aggregate bond debt issued by MUD No. 1 and MUD No. 2, plus an annual 3% escalation amount added to authorized, but unissued, bond debt. This was an increase of \$43,800,000 over the amount authorized under the agreements approved in 2012.

On May 2, 2022, the City of McKinney approved the second amendment to the consent agreements regarding bond authority for MUD No. 1 and MUD No. 2, authorizing \$318,000,000 in aggregate bond debt issued by MUD No. 1 and MUD No. 2, plus an annual 3% escalation amount added to authorized, but unissued, bond debt. This was an increase of \$55,200,000 over the amount authorized under the agreements approved in 2016.

FINANCIAL SUMMARY:

- Included in Item Summary above.

BOARD OR COMMISSION RECOMMENDATION:

- N/A