



# CITY OF MCKINNEY, TEXAS

## Legislation Text

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**File #:** 23-0810, **Version:** 1

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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