



2013 BOND ELECTION FOR ROAD IMPROVEMENTS



**ELECTION DAY
SATURDAY, MAY 11, 2013**

Dear Kyle Resident,

It is no secret that Kyle has outgrown its roads. Your city council has been working with members of the community and city staff to determine which roads are in need of improvement and how to pay for the improvements. To that end, we have designed a road bond package that will be on the ballot for the general election this May. This informational packet contains a complete analysis of the bond package and the potential fiscal impacts that we will experience should you approve the bond package.

The proposed \$36 million package includes five roads. Four of which, Lehman, North Burluson, Goforth, and Bunton are to be widened and repaved, and one, Marketplace, to be expanded southward all the way to Burluson Road. Planning for this road bond started over a year ago when the City of Kyle held two visioning forums to discuss roads in need of expansion as well as other capital improvement projects. The City is pleased to provide this information to assist voters in understanding the projects.

Obviously, payment for the proposed road projects is a huge concern. If the bonds were issued for all five roads today, and we did not receive any further increases in property values or sales tax collection, the tax rate would have to be increased approximately 21 cents to cover the cost of the loan, or about \$280 dollars annually for the average homeowner (\$125,000 home). This council plans to issue the bonds over a six-year period, engineering all the roads first, then constructing one road at a time annually, depending on economic growth and other factors. If sales tax collection increased 6% annually, along with a 2% annual rise in property values, the tax rate impact would be about 9 cents, or \$127 annually. If sales tax continued to increase by 12% for the next six years (Kyle's current average), along with 2% growth in property values, the tax rate impact would be zero. Just like the 2008 county road bond, it is not possible to predict where the eventual rate will fall, depending on future interest rates, construction costs, and other unforeseen events.

Whether you are for the road bond or not, please know that the council will be spending as much time as possible educating the public as best as we possibly can. And regardless of the outcome, your council will continue to work to on your behalf to ensure our city continues to be a great place to live and do business. Please tell your neighbors and friends not to forget to vote May 11th.

**Thank You,
Lucy Johnson
Mayor, City of Kyle**



Lucy Johnson,
Mayor, City of Kyle

2013 BOND ELECTION ROAD BOND IMPROVEMENTS Ballot Language

BOND PROPOSITION

A single ballot containing the measure will be prepared in accordance with the Texas Election Code so as to permit qualified electors of the City to vote "FOR" or "AGAINST" the measure as follows:

FOR

FOR THE ISSUANCE OF \$36,000,000 GENERAL OBLIGATION BONDS FOR STREET IMPROVEMENTS TO BUNTON CREEK ROAD, NORTH BURLESON STREET, GOFORTH ROAD, LEHMAN ROAD, AND MARKETPLACE AVENUE, AND THE LEVY OF A TAX IN PAYMENT THEREOF

AGAINST

ESTIMATED FINANCIAL IMPACT OF ROAD BONDS

The City of Kyle is asking voters to authorize the sale of \$36,000,000 in bonds on the May 11, 2013 ballot to plan, design, and construct five major roads in Kyle; Bunton Creek Road, North Burleson Street, Goforth Road, Lehman Road, and Marketplace Avenue.

The total bond amount of \$36,000,000 was determined as follows:

- Estimated Engineering Costs for All Five (5) Roads: \$ 5,410,000
- Estimated Construction Costs for All Five (5) Roads: \$ 29,890,000
- Estimated Bond Issuance Costs: \$ 700,000
- Total Amount of Bonds To Be Sold: \$ 36,000,000

EARLY VOTING BY PERSONAL APPEARANCE

Electors may cast their votes early in person at the Early Voting Polling Place on the dates and during the times as shown below:

Early Voting Place

Kyle City Hall
100 W. Center Street
Kyle, Texas 78640

Hays CISD Administrative Office
21003 IH 35
Kyle, Texas 78640

Buda Elementary Upper Campus
300 San Marcos Street
Buda, Texas 78610

Tuesday, April 30, 2013 through Friday, May 3, 2013: 8:00 a.m. to 5:00 p.m.

Monday, April 29, 2013 and Monday, May 6, 2013: 7:00 a.m. to 7:00 p.m.

Saturday, May 4, 2013: 10:00 a.m. to 2:00 p.m.

EARLY VOTING BY MAIL

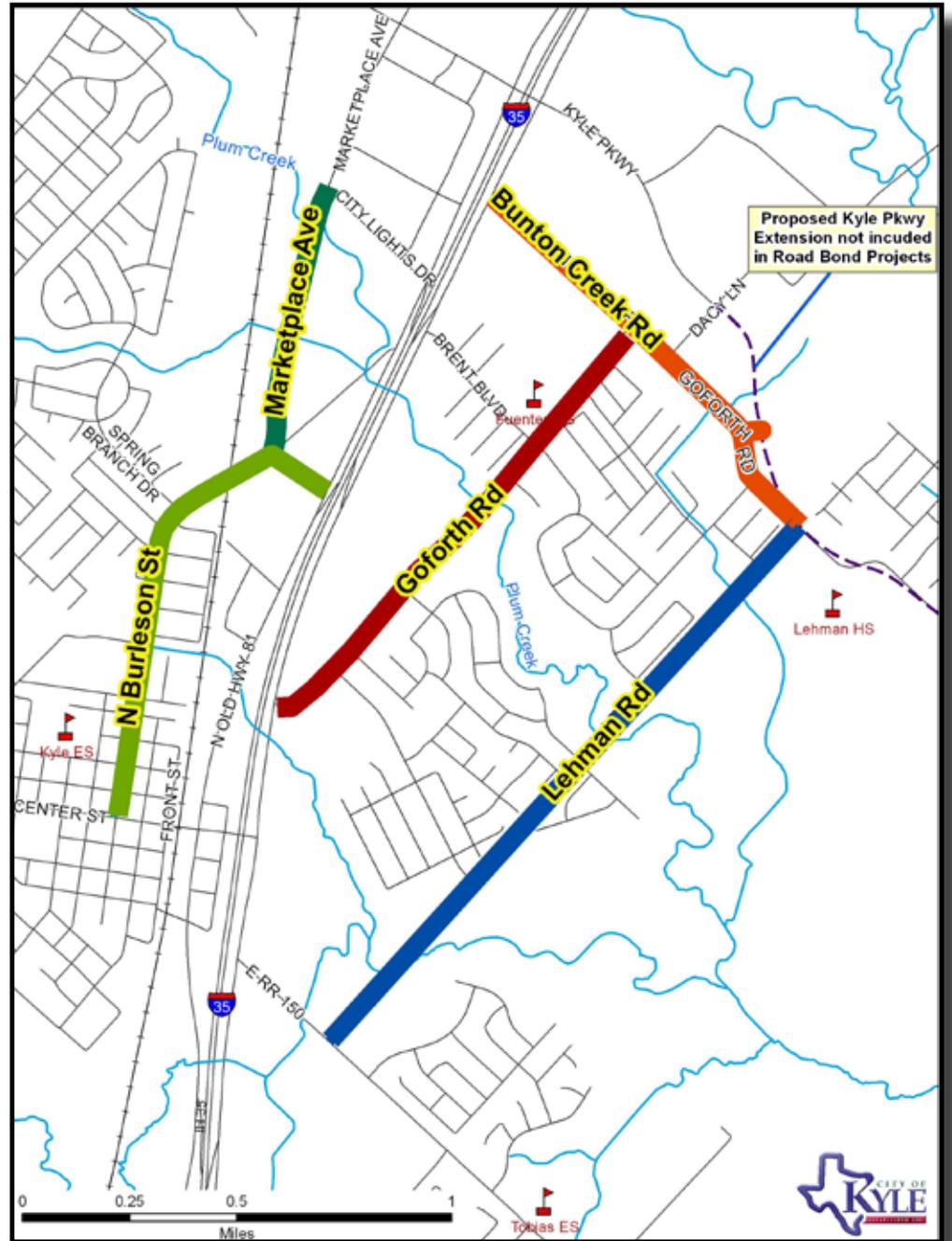
Eligible voters may submit applications for ballot by mail. Applications for ballot by mail must be submitted to the following address, and must be received no later than the close of business on Friday, May 3, 2013.

Joyce A. Cowan
Hays County Elections Administrator
712 South Stagecoach Trail, Suite 1045
San Marcos, Texas 78666
Attention: Early Voting

Voting Information



The Roads



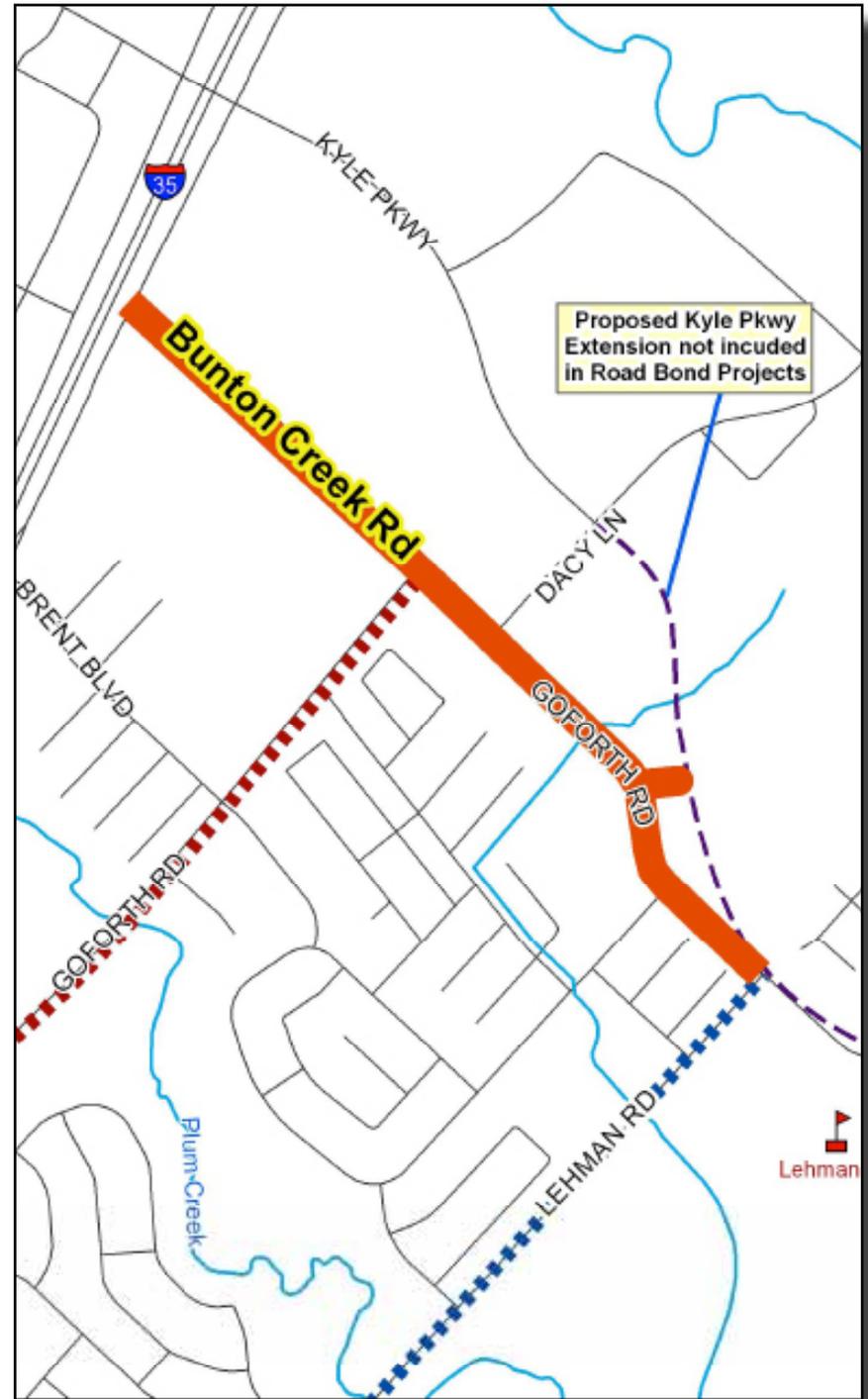
BUNTON CREEK ROAD

Beginning Point: IH 35 Frontage Road
Ending Point: Lehman Rd.
Total Project Length: 1.1 mile
Preliminary Estimated Cost: \$5.0 million

FEATURES

1. 4-lane curb-and-gutter section (2-lanes each way);
2. Dedicated left turn lanes at Goforth Rd. & Dacy Ln.;
3. Determine warrants for traffic signals at Goforth Rd. & Dacy Ln. intersections;
4. Drainage improvements including four (4) culvert crossings;
5. Sidewalk along at least one side.

Total Project Cost:
Engineering Cost: \$1,000,000
Construction Cost: \$4,000,000
Total: \$5,000,000



N. BURLERSON STREET

Beginning Point: Miller St. (first intersection south of Center St.)

Ending Point: IH 35 Frontage Road at NEW connection location

Total Project Length: 1.4 miles

Preliminary Estimated Cost: \$8.5 million

FEATURES

1. 3-lane curb-and-gutter section (1-lane each way w/ continuous left turn lane);
2. Elimination of low water crossing at Plum Creek;
3. Drainage improvements including improved culvert at Live Oak St.;
4. Quiet Crossing at railroad (UPRR);
5. NEW connection with IH 35 Frontage Road out of Plum Creek floodplain;
6. Sidewalk along at least one side.

Total Project Cost:

Engineering Cost: \$1,200,000

Construction Cost: \$7,300,000

Total: \$8,500,000



GOFORTH ROAD

Beginning Point: IH 35 Frontage Road
Ending Point: Bunton Creek Rd. intersection
Total Project Length: 1.2 miles
Preliminary Estimated Cost: \$9.8 million

FEATURES

1. Combination of 4-lane (2-lanes each way) and 3-lane (1-lane each way w/ continuous left turn lane) curb-and-gutter sections;
2. Bridge at crossing of Plum Creek;
3. Drainage improvements;
4. Sidewalk along at least one side.

Total Project Cost:

Engineering Cost:	\$1,400,000
Construction Cost:	\$8,400,000
Total:	\$9,800,000



LEHMAN ROAD

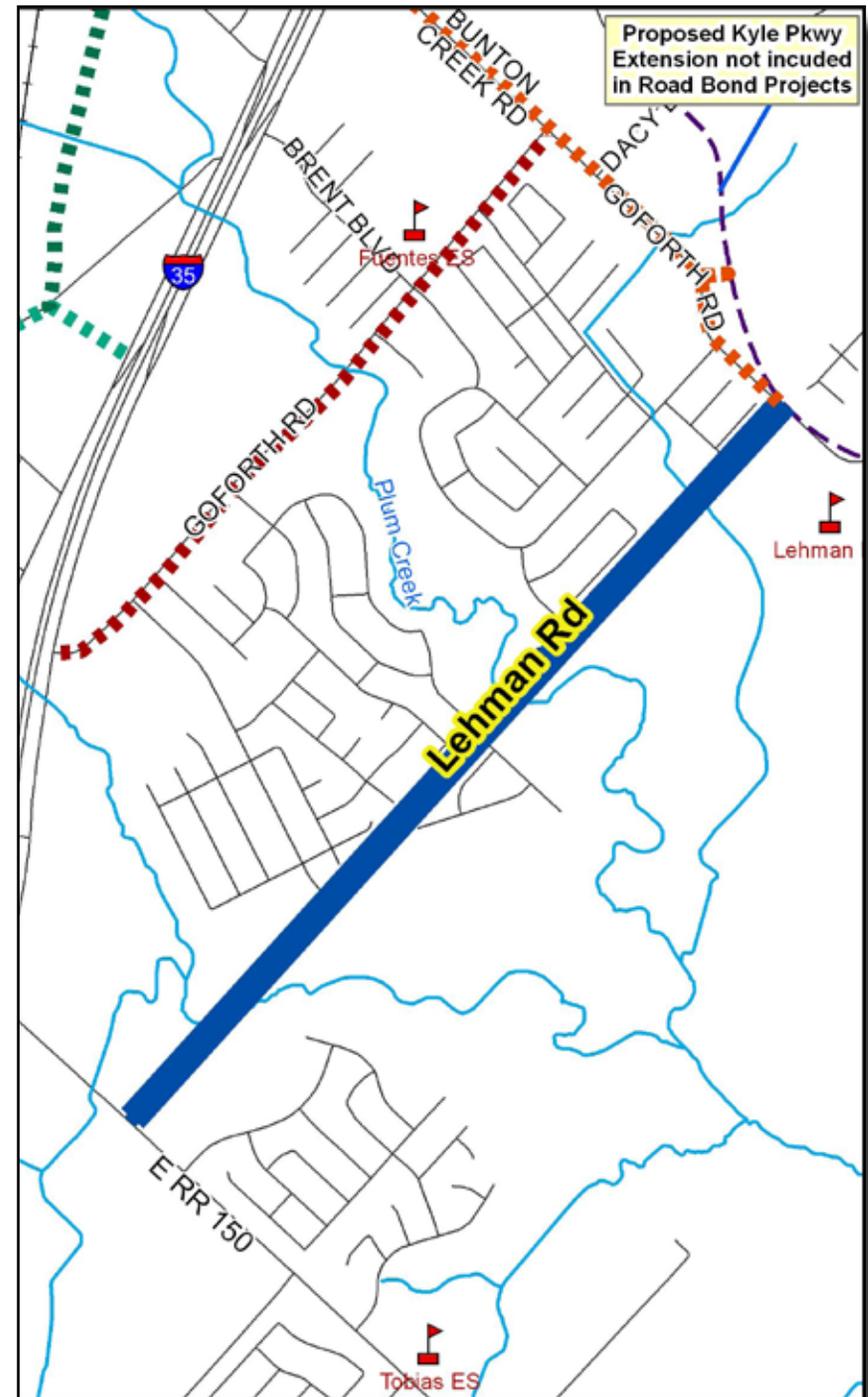
Beginning Point: E. RR 150 intersection
Ending Point: Goforth Rd. intersection
Total Project Length: 1.6 miles
Preliminary Estimated Cost: \$8.0 million

FEATURES

1. Combination of 4-lane and 3-lane curb-and-gutter sections (1-lane each way w/ continuous left turn lane);
2. Determine warrants for traffic signals at Goforth Rd. & RR 150 intersections;
3. Bridge at crossing of Elliott Branch (Lake Kyle Park);
4. Bridge at crossing of Plum Creek;
5. Drainage improvements including two (2) culvert crossings;
6. Sidewalk along at least one side.

Total Project Cost:

Engineering Cost:	\$1,150,000
Construction Cost:	\$6,850,000
Total:	\$8,000,000



MARKETPLACE AVENUE

Beginning Point: N. Burlson St. east of railroad (UPRR)

Ending Point: City Lights Dr. intersection

Total Project Length: 0.7 mile

Preliminary Estimated Cost: \$4.0 million

FEATURES

1. 4-lane curb-and-gutter section (2-lanes northbound & 2-lanes southbound);
2. Continuation of N. Burlson St. to FM 1626 (e.g. – continuation of north/south route on west side of IH 35 between Rebel Rd. & IH 35 Frontage Road);
3. Bridge at crossing of Plum Creek;
4. Bridge at crossing of Spring Branch;
5. Drainage improvements;
6. Sidewalk along at least one side.

Total Project Cost:

Engineering Cost: \$ 660,000

Construction Cost: \$3,340,000

Total: \$4,000,000



Financial Analysis

1. If approved by the voters at the election; the actual sale of any bonds will not occur without a subsequent vote of the Kyle City Council.
2. The City plans to issue General Obligation Bonds with a 20-year amortization period. In other words, the bonds will be paid off over a 20-year period from the time the bonds are issued.
3. The bonds totaling \$36,000,000 will not be issued or sold by the City immediately or all at once. The city council will sequence the sale of the bonds and the order of construction for each project based on funding needs and other factors as deemed appropriate by the council. The financial analysis is based on the following projected bond issuance schedule and amounts as currently anticipated by the council:
 - a. Year 1: \$5,410,000 for estimated engineering costs plus an estimated \$108,200 for the cost of bond issuance.
 - b. Year 2: \$4,000,000 for estimated construction cost for Bunton Creek Road plus an estimated \$80,000 for the cost of bond issuance.
 - c. Year 3: \$6,850,000 for estimated construction cost for Lehman Road plus an estimated \$137,000 for the cost of bond issuance.
 - d. Year 4: \$7,300,000 for estimated construction cost for North Burleson Street plus an estimated \$146,000 for the cost of bond issuance.
 - e. Year 5: \$3,340,000 for estimated construction cost for Marketplace Avenue plus an estimated \$66,800 for the cost of bond issuance.
 - f. Year 6: \$8,400,000 for estimated construction cost for Goforth Road plus an estimated \$162,000 for the cost of bond issuance.
4. Average home value within the City of Kyle is \$125,097 based on 2012 assessed valuations.
5. In estimating the financial impact of the road bonds a zero growth rate in the City's taxable assessed valuation was assumed.
6. These are estimates based on the most current information available. It is likely that the project schedule and project cost estimates may change.

General Assumptions

The estimated financial impact on the property tax are as follows:

- The increase in property tax rate is estimated to range from \$0.0196 to \$0.0494 per \$100 of taxable assessed value per year during the six years when the road bonds are projected to be sold by the City.
- For an average valued home in Kyle, the increase in property tax bill is estimated to range from \$24.55 to \$61.75 per year during the six years when the road bonds are projected to be sold by the City.
- Once all of the road bonds have been sold by the City and based on an assumption that there is zero growth in the City's taxable assessed valuations, the property tax rate increase is estimated at \$0.2075 per \$100 of taxable assessed value.
- For an average valued home in Kyle, the increase in the property tax bill is estimated to total \$259.48 after all of the road bonds have been sold by the City.

The City's annually certified taxable property valuations have increased on an average 3.7% over the last four years and sales tax collections have increased on an average 12.4% annually over the same period. While a zero growth approach was taken in the completion of the estimated financial impact of the road bonds, if these growth trends continue in the future, it may result in a reduced property tax impact of road bonds on the homeowners in Kyle.

Estimated Property Tax Impact

Various Tax Base Growth Scenarios

Scenario One: Zero Growth Rate

The table below shows highlights of the estimated annual requirements based on a zero growth rate assumption:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
Bond Sale	\$5.52 M	\$4.08M	\$6.99M	\$7.45M	\$3.41M	\$8.55M	\$36.00M
Debt Service	\$0.45M	\$0.77M	\$1.34M	\$1.94M	\$2.21M	\$2.90M	\$2.90M
Tax Rate/\$100	\$0.0318	\$0.0235	\$0.0403	\$0.0429	\$0.0196	\$0.0494	\$0.2075
Tax Bill Inc.	\$39.77	\$29.40	\$50.35	\$53.66	\$24.55	\$61.75	\$259.48

Scenario Two: 25% of 4-Year Average Annual Growth Rate Experienced by City of Kyle

The table below shows highlights of the estimated annual requirements based on a growth rate assumption of 25% of the average annual growth experienced by the City of Kyle over the preceding four years for sales tax collections (12.4%)* and taxable assessed valuations (3.7%)*:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
Bond Sale	\$5.52 M	\$4.08M	\$6.99M	\$7.45M	\$3.41M	\$8.55M	\$36.00M
Debt Service	\$0.45M	\$0.77M	\$1.34M	\$1.94M	\$2.21M	\$2.90M	\$2.90M
Tax Rate/\$100	\$0.0239	\$0.0152	\$0.0312	\$0.0332	\$0.0103	\$0.0383	\$0.1521
Tax Bill Inc.	\$30.13	\$19.40	\$40.16	\$43.16	\$13.55	\$50.62	\$197.02

Scenario Three: 50% of 4-Year Average Annual Growth Rate Experienced by City of Kyle

The table below shows highlights of the estimated annual requirements based on a growth rate assumption of 50% of the average annual growth experienced by the City of Kyle over the preceding four years for sales tax collections (12.4%)* and taxable assessed valuations (3.7%)*:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
Bond Sale	\$5.52 M	\$4.08M	\$6.99M	\$7.45M	\$3.41M	\$8.55M	\$36.00M
Debt Service	\$0.45M	\$0.77M	\$1.34M	\$1.94M	\$2.21M	\$2.90M	\$2.90M
Tax Rate/\$100	\$0.0159	\$0.0066	\$0.0215	\$0.0225	\$0.0000	\$0.0254	\$0.0919
Tax Bill Inc.	\$20.27	\$8.62	\$28.39	\$30.34	\$0.00	\$35.45	\$123.07

Scenario Four: 75% of 4-Year Average Annual Growth Rate Experienced by City of Kyle

The table below shows highlights of the estimated annual requirements based on a growth rate assumption of 75% of the average annual growth experienced by the City of Kyle over the preceding four years for sales tax collections (12.4%)* and taxable assessed valuations (3.7%)*:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
Bond Sale	\$5.52 M	\$4.08M	\$6.99M	\$7.45M	\$3.41M	\$8.55M	\$36.00M
Debt Service	\$0.45M	\$0.77M	\$1.34M	\$1.94M	\$2.21M	\$2.90M	\$2.90M
Tax Rate/\$100	\$0.0081	\$0.0000	\$0.0113	\$0.0110	\$0.0000	\$0.0219	\$0.0523
Tax Bill Inc.	\$10.41	\$0.00	\$15.29	\$15.33	\$0.00	\$32.33	\$73.36

* Average annual increases

Kyle City Council Member Contact Information



Lucy Johnson
Mayor
(512) 913-4742
mayor@cityofkyle.com



Diane E. Hervol
Mayor Pro Tem
Council Member District 1
(512) 560-2689
district1rep@cityofkyle.com



Becky Selbera
Council Member District 2
(512) 902-2311
beckydist2@yahoo.com



Bradley P. Pickett
Council Member District 3
(512) 293-5597
bradley.pickett@yahoo.com



David Wilson
Council Member District 4
(512) 587-5551
district4rep@cityofkyle.com



Samantha Bellows-LeMense
Council Member District 5
Phone: 512-393-1265
samantha4kyle@gmail.com



Ray Bryant
Council Member District 6
Phone: 512-487-2716
district6rep@cityofkyle.com



City of Kyle Road Bonds - 2013
For more information, visit www.CityofKyle.com
or call 512-262-1010

Para información en español, por favor llame a 512-262-1010