

City of West Lake Hills
2021 Bond Election Update – Property Tax Rate Impact
\$25M Special Bond Election for Proposition A & B

On August 11th during their regular meeting, the West Lake Hills City Council considered and approved Ordinance No. 2021-008 which authorized ordering an election to be held November 2nd for two separate bond propositions totaling \$25M.

Proposition A:

Proposition A proposes voters consider approval of a new City facility including the issuance of bonds in an amount not to exceed **\$13.2M**. Specific language as required notes that Proposition A is for the purpose of making permanent public improvements including constructing, acquiring, improving, renovating, expanding, and developing a new City Hall and Police Building and related infrastructure

Proposition B:

Proposition B proposes voters consider approval for roadways and drainage improvements and proposes the issuance of bonds in an amount not to exceed **\$11.8M**. Specific language as required notes that Proposition B is for the purpose of constructing, improving, renovating, extending, expanding, and developing streets, roads and related drainage improvements for Camp Craft Road, Laurel Valley Road, Redbud Trail, Westlake Drive, Yaupon Valley Road and Terrace Mountain Drive

By passing Ordinance No. 2021-008, Council opted for a **25-year term for the \$25M Bond**. If approved the annual debt service payment would be just over \$1.4M and assumes a net interest cost of 2.93%.

25-Year Level Debt Service	
Project Fund (\$000s)	\$25,000
Net Interest Cost *	2.93%
Principal Amortization	2023-2047
Average Life	15.5 years
Total Debt Service (\$000s)	\$35,663
Average Annual Debt Service (\$000s)	\$1,405

Impact to West Lake Hills Property Owners

It is possible that only one of the Propositions will pass at the November Special Election. Again, and as the approved Ordinance included, we’re using the 25-year interest rate and debt service estimates provided by our PFM Financial Advisors LLC, to illustrate the Impact to Property Owners. Also please note that we are using an average of \$1.5M assessed property value:

<u>Current Rate</u>	<u>New Rate</u>	<u>New Rate</u>	<u>New Rate</u>
<u>Annual/Monthly Cost</u>	<u>\$13.2M Only</u>	<u>\$11.8M Only</u>	<u>\$25M Total</u>
<u>\$0.0786/100</u>	<u>Prop A Passes</u>	<u>Prop B Passes</u>	<u>Both A & B Pass</u>
<u>\$1179/\$98</u>	<u>Annual/Monthly Cost</u>	<u>Annual/Monthly Cost</u>	<u>Annual/Monthly Cost</u>
	<u>\$0.1077/100</u>	<u>\$0.1046/100</u>	<u>\$0.1338/100</u>
	<u>\$1615/\$135</u>	<u>\$1569/\$131</u>	<u>\$2007/\$167</u>

If the Special Bond Election on Tuesday, November 2nd, 2021, is approved, the City of West Lake Hills is required to publish notice for public hearings before proceeding with the debt service issuance. More than likely, these public hearings would occur in February 2022. It’s very likely the interest rates in February 2022 will be different than they are today; however, these estimates are extremely conservative.

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Here's the link to the August 11th City Council online meeting agenda that includes the presentation provided by our financial advisors, the ordinance as considered, project cost estimates and other exhibits: <https://westlakehillstx.civicclerk.com/Web/Player.aspx?id=127&key=-1&mod=-1&mk=-1&nov=0>

The Cities listed below are provided to illustrate comparable median home values, their corresponding property tax rate and total annual tax bill for the City-portion only.

City	Population	Median Home Value	Tax Rate	Annual Tax Bill
Bunker Hill Village	3,935	\$1,782,130	\$0.2750	\$4,901
Hedwig Village	2,634	\$1,362,000	\$0.3749	\$5,106
Highland Park	9,083	\$1,831,666	\$0.2300	\$4,213
Bellaire	18,971	\$920,802	\$0.4473	\$4,119
Rollingwood	1,585	\$1,972,762	\$0.2369	\$4,673
Southlake	32,376	\$1,050,000	\$0.4620	\$4,851
The Hills	2,487	\$799,000	\$0.1000	\$799
West University Place	15,585	\$1,352,270	\$0.2785	\$3,766
West Lake Hills	3,286	\$1,500,000	\$0.0786	\$1,179
West Lake Hills (Prop A & B pass)		\$1,500,000	\$0.1338	\$2,007
The Woodlands	116,278	\$979,000	\$0.2103	\$2,059
Averages	20,622	\$1,504,963	\$0.2827	\$3,767

West Lake Hills Property Owner, Median Home Value \$1.5M

Taxing Jurisdictions	Tax Rate	Total Tax	% of Total
TRAVIS COUNTY	\$0.3744	\$5,615	19.78%
EANES ISD	\$1.1640	\$17,460	61.50%
CITY OF WEST LAKE HILLS	\$0.0786	\$1,179	4.15%
TRAVIS CENTRAL APP DIST	\$0.0000	\$0	0.00%
TRAVIS CO WCID NO 10	\$0.0840	\$1,260	4.44%
TRAVIS COUNTY HEALTHCARE DISTRICT	\$0.1104	\$1,655	5.83%
TRAVIS CO ESD NO 9	\$0.0814	\$1,221	4.30%
Total Tax Rate:	\$1.8390	\$28,391	100.00%