



City of Texas City

September 7, 2022

Lago Mar Development Authority – 2022 Plan of Finance

Masterson Advisors LLC
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Houston, Texas 77046

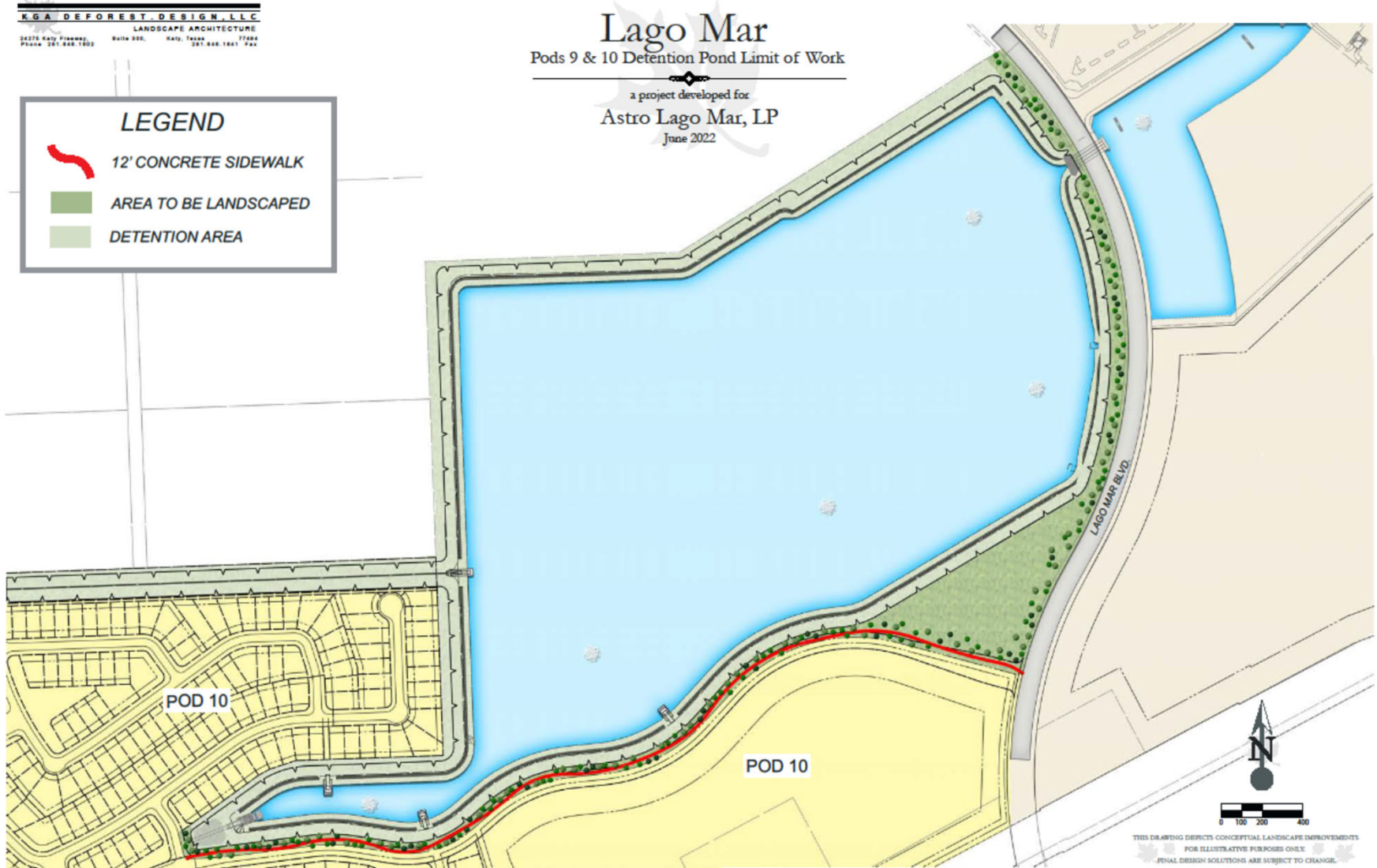
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Reinvestment Zone Number One – Land Use Plan

See Land Use Plan Under Separate Cover.

Reinvestment Zone Number One – 100-acre Lake



Financing Timeline

Lago Mar Development Authority
\$7,495,000*
Tax Increment Contract Revenue Bonds, Series 2022

Jul-22							Aug-22							Sep-22							Oct-22						
S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	S	M	T	W	Th	F	S
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24	25	26	27	28	29	30	28	29	30	31	25	26	27	28	29	30	23	24	25	26	27	28	29				
31																			30	31							

Board Meeting
 Holiday

Date*	Action	Responsible Party
Thu - Jul 14	» LMDA Board Meeting - Present Plan of Finance, Approve Financing Team and Authorize RFP to Underwriters	LMDA
Tue - Aug 16	» LMDA Board Meeting - Approve Preliminary Official Statement (POS), Select Underwriter(s) and Set Pricing Date	LMDA
Wed - Aug 24	» Apply for Rating from S&P Global Ratings	FA
Wed - Sep 7	» City Commission Meeting - Request Consent for Lago Mar DA to Issue Bonds	City
Thu - Sep 8	» Receive Rating from S&P Global Ratings	
Thu - Sep 8	» Electronically Distribute Offering Documents	FA
Thu - Sep 15	» Board Meeting - Pricing / Discuss Results with Board	LMDA
Tue - Oct 11	» P-Letter from AG / Closing Memo Distributed	FA
Thu - Oct 13	» LMDA Board Meeting - Pre-Closing (If needed)	LMDA
Tue - Oct 18	» Closing	FWG

* Preliminary; subject to change.

Financing Participants

Abbreviation	Name of Participant	Role
City	Texas City	City
LMDA	Lago Mar Development Authority	Issuer
TC	Marsh Darcy Partners, Inc.	Consultant
FA	Masterson Advisors LLC	Financial Advisor
BC	Allen Boone Humphries Robinson LLP	Bond Counsel
DC	Norton Rose Fulbright US LLP	Disclosure Counsel
UW	Stifel, Nicolaus & Company, Incorporated	Underwriter
UWC	West & Associates, L.L.P.	Underwriter's Counsel
T	The Bank of New York Mellon Trust Company, N.A.	Paying Agent/Registrar / Trustee
FWG	Finance Working Group	All Participants

Financial Advisor

- Advises the issuer on all matters regarding bond issuance
- Issuer's representative in and to the bond market
- Fiduciary duty to the issuer

Bond Counsel

- Counsel retained by the issuer to give legal opinions that the issuer is authorized to issue the bonds
- Provides legal opinion on the tax status of the bonds
- Prepares bond legal documents with input from financing team

Underwriters

- Securities dealer which purchases municipal securities for resale; either by competitive or negotiated sale, and may purchase the securities in a group with other underwriters (an underwriting syndicate)

Underwriter's Counsel / Disclosure Counsel

- **Underwriter's Counsel** represents the underwriter and works toward accurate disclosure in the offering documents
- **Disclosure Counsel** conducts independent due diligence to ensure complete and accurate disclosure in offering documents and prepares bond offering document

Tax Increment Contract Revenue Bonds Summary

Source of Funds

Par Amount	\$ 7,670,000
Premium	360,377
Lago Mar Surplus TIRZ Fund Contribution	<u>1,400,000</u>
Total Sources of Funds	\$ 9,430,377

Uses of Funds

Project Fund	\$ 8,804,485
Estimated Issuance Cost	423,738
Underwriter's Discount	48,942
Estimated Bond Insurance (130 bps)	139,136
Estimated Surety Insurance	<u>14,076</u>
Total Uses of Funds	\$ 9,430,377
Total Debt Service	\$ 10,702,771
Average Annual Debt Service	\$ 698,990
All-in True Interest Cost	4.92%
Minimum Coverage Ratio	1.55x
Amortization	15 Years

- Bond proceeds plus Lago Mar DA surplus Funds in approximate amount of \$1,400,000 will be expended to fund:

Project	Construction & Engineering Cost
100-Acre Lake	\$8,804,485

- Assumes 2022 Captured Appraised Value as of January 1, 2022 of \$488,820,115 (residential) and \$40,031,969 (commercial, not including GCMUD 54).
- Current market interest rates assumed.
- Assumes “BBB+” S&P rating, the use of Municipal Bond Insurance and a Surety Policy.
- Lago Mar DA bonds will be designated as non-bank qualified to give City maximum flexibility to issue bonds in 2022.
- Surplus TIRZ Construction Funds from GCMUD 54 will be expended to fund:

Project	Construction & Engineering Cost
Landscaping Around 100-Acre Lake	\$1,100,000

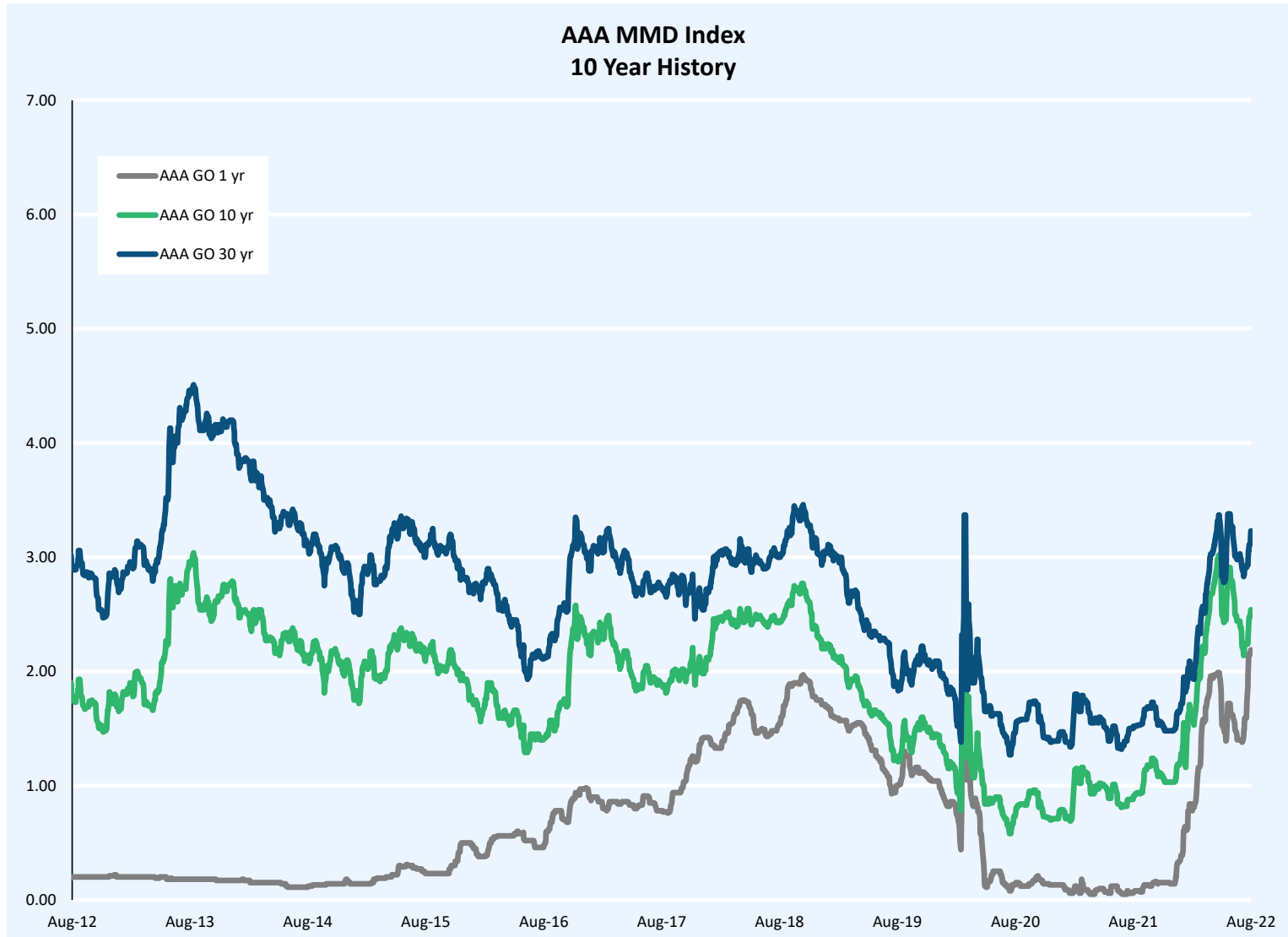
Future TIRZ Capacity: IH-45 Landscape Improvements in 2024 (est.)

\$10,100,000 estimated project cost

- ❑ 2022 Captured Appraised Value as of January 1, 2022 Per GCAD: \$528,852,084 (consisting of \$488,820,115 of Residential; \$40,031,969 of Commercial, excluding GCMUD 54)
- ❑ Minimum Captured Appraised Value Needed By January 1, 2023: \$616,000,000
- ❑ Estimate of Current Captured Appraised Value - \$632,582,084 based upon residential growth in GC MUD 56 and 59:
 - Delivery of 839 lots in GC MUD 59 at \$70,000 per lot (to be delivered by 4th quarter of 2022) - \$58,730,000
 - Construction of 150 houses (to date) assuming \$300,000 per house in GC MUD 56 and 59 - \$45,000,000

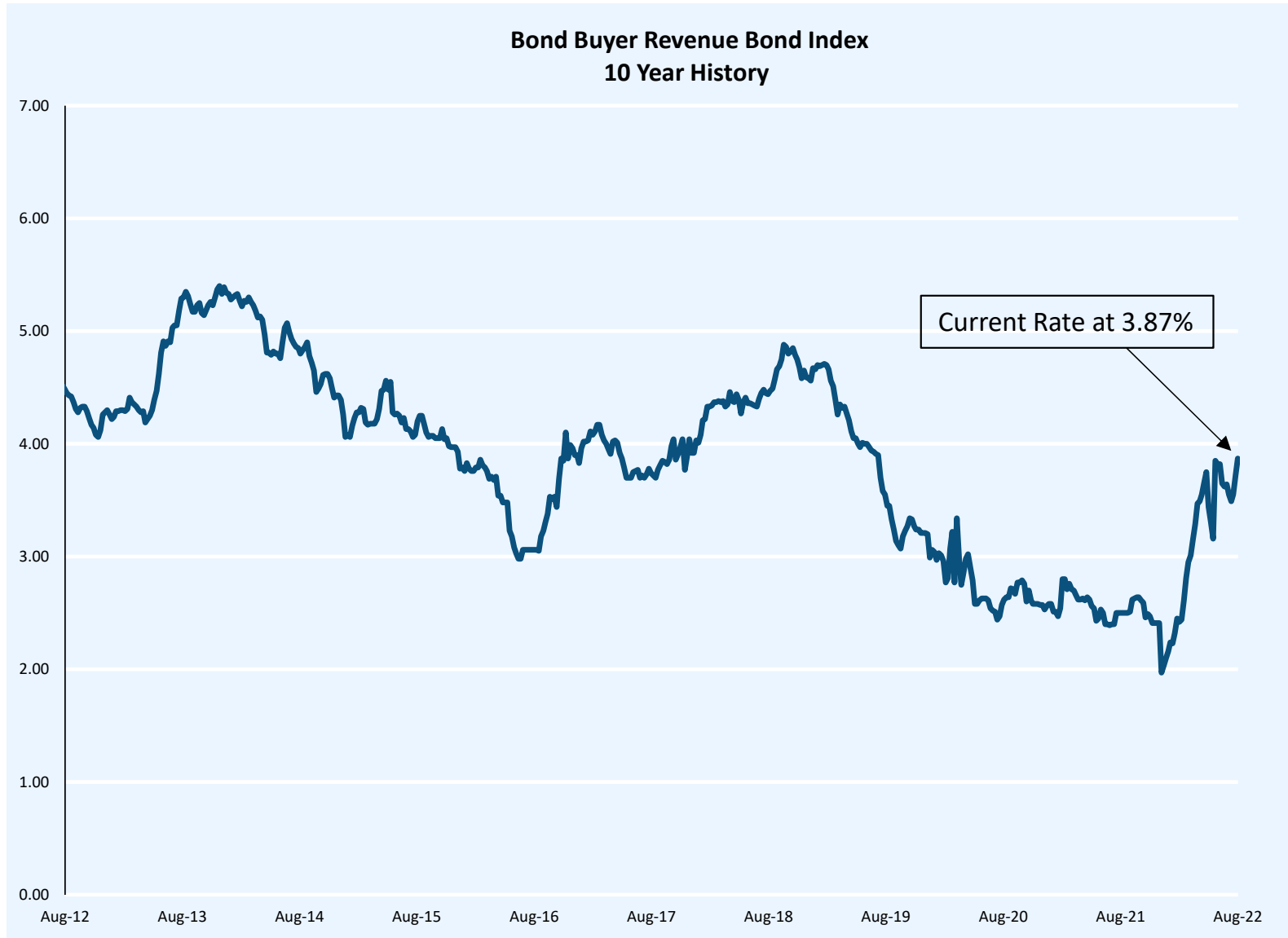
Historical Interest Rates

MMD History as of August 26, 2022



Historical Interest Rates

Bond Buyer Revenue Bond Index as of August 26, 2022



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