

THE STATE OF TEXAS
COUNTY OF HIDALGO

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RESOLUTION

A RESOLUTION AUTHORIZING PUBLICATION OF THE COUNTY'S NOTICE OF INTENT TO ISSUE CERTIFICATES OF OBLIGATION IN AN AMOUNT NOT TO EXCEED \$33,000,000 AS AUTHORIZED UNDER STATE LAW FOR PURPOSES OF PAYING CONTRACTUAL OBLIGATIONS OF THE COUNTY TO BE INCURRED FOR CERTAIN PROJECTS AND TO PAY FOR THE COST OF ISSUANCE OF THE CERTIFICATES OF OBLIGATIONS AND MAKING OTHER PROVISIONS REGARDING MATTERS INCIDENT THERETO

WHEREAS, the County of Hidalgo, Texas (the "Issuer") is authorized to issue Certificates of Obligation for the purpose of paying contractual obligations for certain capital improvements and to pay the cost of issuance of such Certificates of Obligation; and

WHEREAS, as security for those debt obligations, the Issuer can offer a pledge of its ad valorem taxes within limits as authorized by state law and a pledge of its Net Revenues from the operation of the County's parks (not to exceed \$1,000);

NOW THEREFORE BE IT RESOLVED:

1.00. The Notice of Intent to Issue Certificates of Obligation which is attached hereto as Exhibit "A" is approved by the Issuer's Commissioners Court for purposes of complying with the notice and publication requirements of state law.

2.00. The County Judge is ordered to publish the approved notice in any publication which satisfies the requirements of the Texas Government Code §2051.044, as long as the first notice is published no less than 30 days prior to the date of the meeting at which the ordinance authorizing the sale of the obligations is proposed to be approved.

NOTICE OF INTENT TO ISSUE

COUNTY OF HIDALGO, TEXAS
CERTIFICATES OF OBLIGATION, SERIES 2017

TAKE NOTICE that the Commissioners Court (the *Commissioners Court*) of the County of Hidalgo, Texas (the *County*), shall tentatively convene at 9:³⁰_Aa.m. on the 25th day of July, 2017, at its regular meeting place in the Commissioners Court meeting room at 100 East Cano, First Floor, Edinburg, Texas and during such meeting, the Commissioners Court will consider the passage of an ordinance authorizing the issuance of certificates of obligation in an amount not to exceed \$33,000,000 for the following purposes: 1. the acquisition of land and rights of way for/and installation, construction, and improvement of road systems and related drainage facilities (including traffic signaling); including purchase of asphalt, caliche and emulsion for street pavements; 2. the acquisition of land for parks development and cost of park improvements and equipment, including installation; 3. the purchase of equipment for authorized needs and purposes (including traffic signaling equipment, road, drainage, and sanitation equipment); 4. the purchase of vehicles, including law enforcement vehicles and related equipment; 5. the construction of new county facilities and all construction related costs, including parking lots, infrastructure and equipment, and fixtures related thereto projects to include, but not limited to, Courthouse, community resource centers, constituent services facilities and mechanic shops; 6. the renovation, repair and improvement, including improvements to comply with the American Disabilities Act, of existing County buildings and facilities and any buildings and facilities to be acquired by the County with its general funds or proceeds of the Certificates; 7. the acquisition of new county facilities (land and building) to house road & bridge staff; 8. the payment of contractual obligations for professional services, including services provided by engineers, attorneys, financial advisors, and fiscal agents; 9. the payment of costs of issuance of the Certificates. The Certificates of Obligation will be payable from a combination of the County's ad valorem tax within the limits authorized by law on all taxable property of the County, and a limited pledge (never to exceed \$1,000) from the net revenues from the operation of the County's parks. The Certificates of Obligation are to be issued, and this notice is given, under and pursuant to the provisions of the Certificates of Obligation Act of 1971, as amended, Local Government Code Section 271.041 through Section 271.063.

Ramon Garcia, County Judge
County of Hidalgo, Texas

June 13, 2017



Hidalgo County, Texas

Finance Plan Presentation

Certificates of Obligation, Series 2017

ESTRADA • HINOJOSA
INVESTMENT BANKERS

COs, Series 2017 – Proposed Uses of Funds

2017 COs Project Summary List			
Department	Category	Notes	Project Amount
County Wide	Building	Courthouse Related Expenses	\$ 5,000,000
County Wide	Building	Constituent Service Building - Soft Costs	1,000,000
Sheriff/Constable	Equipment	Fleet Replacement	2,500,000
PCT 1	Road/Equipment	Various	6,000,000
PCT 2	Road/Equipment	Various	6,000,000
PCT 3	Road/Equipment	Various	6,000,000
PCT 4	Road/Equipment	Various	6,000,000
GRAND TOTAL			\$ 32,500,000

Preliminary Tax Rate Impact: *Prior to 2017 COs*

FYE 12/31	(NAV) Net Assessed Valuation	NAV Growth	Existing Debt Service ⁽²⁾	2017 COs			Total New Debt Service	Transfers from Other Sources	Total Net Tax Supported Debt Service	Estimated Required I&S Tax Rate ⁽²⁾	Marginal Tax Rate	FYE 12/31
				Principal	Interest	Debt Service						
2017	\$29,847,276,913 ⁽¹⁾		\$ 23,171,999				\$ 23,171,999	(1,303,000)	\$ 21,868,999	\$ 0.0714		2017
2018	30,932,376,888	3.6%	21,076,243	\$ -	\$ -	\$ -	21,076,243		21,076,243	0.0648	(0.0066)	2018
2019	31,551,024,426	2.0%	21,598,119				21,598,119		21,598,119	0.0652	0.0004	2019
2020	32,182,044,914	2.0%	21,058,444				21,058,444		21,058,444	0.0621	(0.0031)	2020
2021	32,825,685,813	2.0%	21,620,299				21,620,299		21,620,299	0.0626	0.0005	2021
2022	33,318,071,100	1.5%	21,002,469				21,002,469		21,002,469	0.0597	(0.0029)	2022
2023	33,817,842,166	1.5%	17,922,085				17,922,085		17,922,085	0.0494		2023
2024	34,325,109,799	1.5%	17,923,909				17,923,909		17,923,909	0.0486		2024
2025	34,668,360,897	1.0%	14,216,313				14,216,313		14,216,313	0.0371		2025
2026	35,015,044,506	1.0%	14,219,156				14,219,156		14,219,156	0.0367		2026
2027	35,015,044,506	0.0%	11,146,145				11,146,145		11,146,145	0.0277		2027
2028	35,015,044,506	0.0%	11,142,040				11,142,040		11,142,040	0.0276		2028
2029	35,015,044,506	0.0%	8,238,203				8,238,203		8,238,203	0.0191		2029
2030	35,015,044,506	0.0%	7,371,312				7,371,312		7,371,312	0.0165		2030
2031	35,015,044,506	0.0%	5,366,175				5,366,175		5,366,175	0.0106		2031
2032	35,015,044,506	0.0%	5,353,625				5,353,625		5,353,625	0.0106		2032
2033	35,015,044,506	0.0%	5,363,275				5,363,275		5,363,275	0.0106		2033
2034	35,015,044,506	0.0%	5,357,150				5,357,150		5,357,150	0.0106		2034
2035	35,015,044,506	0.0%	3,695,700				3,695,700		3,695,700	0.0057		2035
2036	35,015,044,506	0.0%	3,692,400				3,692,400		3,692,400	0.0057		2036
2037	35,015,044,506	0.0%	1,140,600				1,140,600		1,140,600	(0.0018)		2037
2038	35,015,044,506	0.0%	1,141,600				1,141,600		1,141,600	(0.0018)		2038
2039	35,015,044,506	0.0%	1,141,000				1,141,000		1,141,000	(0.0018)		2039
2040	35,015,044,506	0.0%	1,138,800				1,138,800		1,138,800	(0.0018)		2040
2041	35,015,044,506	0.0%	-				-		-			2041
2042	35,015,044,506	0.0%	-				-		-			2042
2043	35,015,044,506	0.0%	-				-		-			2043
2044	35,015,044,506	0.0%	-				-		-			2044
2045	35,015,044,506	0.0%	-				-		-			2045
2046	35,015,044,506	0.0%	-				-		-			2046
2047	35,015,044,506	0.0%	-				-		-			2047
2048	35,015,044,506	0.0%	-				-		-			2048
2049	35,015,044,506	0.0%	-				-		-			2049
2050	35,015,044,506	0.0%	-				-		-			2050
Total			\$ 265,097,062	\$ -	\$ -	\$ -	\$ 265,097,062	\$(1,303,000)	\$ 263,794,062			

⁽¹⁾ Certified Freeze Adjusted TAV. Average annual growth rate of 3.0% over the last 5 years and 12.7% over the last 10 years.

⁽²⁾ Calculated approximately I&S tax rate except 2017-2018. Includes estimated freeze adjustment starting at \$1,612,597.

Preliminary Tax Rate Impact: *After Issuance of 2017 COs*

FYE 12/31	(NAV) Net Assessed Valuation	NAV Growth	Existing Debt Service ⁽²⁾	2017 COs			Total New Debt Service	Transfers from Other Sources	Total Net Tax Supported Debt Service	Estimated Required I&S Tax Rate ⁽²⁾	Marginal Tax Rate	FYE 12/31
				Principal	Interest	Debt Service						
2017	\$29,847,276,913		\$ 23,171,999				\$ 23,171,999	\$(1,303,000)	\$ 21,868,999	\$ 0.0714		2017
2018	30,932,376,888	3.6%	21,076,243	\$ 680,000	\$ 1,305,214	\$ 1,985,214	23,061,457		23,061,457	0.0714	(0.0000)	2018
2019	31,551,024,426	2.0%	21,598,119	985,000	1,295,250	2,280,250	23,878,369		23,878,369	0.0726	0.0012	2019
2020	32,182,044,914	2.0%	21,058,444	1,005,000	1,275,550	2,280,550	23,338,994		23,338,994	0.0694		2020
2021	32,825,685,813	2.0%	21,620,299	1,025,000	1,255,450	2,280,450	23,900,749		23,900,749	0.0697		2021
2022	33,318,071,100	1.5%	21,002,469	1,055,000	1,224,700	2,279,700	23,282,169		23,282,169	0.0668		2022
2023	33,817,842,166	1.5%	17,922,085	1,095,000	1,182,500	2,277,500	20,199,585		20,199,585	0.0563		2023
2024	34,325,109,799	1.5%	17,923,909	1,150,000	1,127,750	2,277,750	20,201,659		20,201,659	0.0555		2024
2025	34,668,360,897	1.0%	14,216,313	1,210,000	1,070,250	2,280,250	16,496,563		16,496,563	0.0439		2025
2026	35,015,044,506	1.0%	14,219,156	1,270,000	1,009,750	2,279,750	16,498,906		16,498,906	0.0434		2026
2027	35,015,044,506	0.0%	11,146,145	1,330,000	946,250	2,276,250	13,422,395		13,422,395	0.0344		2027
2028	35,015,044,506	0.0%	11,142,040	1,400,000	879,750	2,279,750	13,421,790		13,421,790	0.0344		2028
2029	35,015,044,506	0.0%	8,238,203	1,470,000	809,750	2,279,750	10,517,953		10,517,953	0.0258		2029
2030	35,015,044,506	0.0%	7,371,312	1,540,000	736,250	2,276,250	9,647,562		9,647,562	0.0232		2030
2031	35,015,044,506	0.0%	5,366,175	1,620,000	659,250	2,279,250	7,645,425		7,645,425	0.0174		2031
2032	35,015,044,506	0.0%	5,353,625	1,700,000	578,250	2,278,250	7,631,875		7,631,875	0.0173		2032
2033	35,015,044,506	0.0%	5,363,275	1,785,000	493,250	2,278,250	7,641,525		7,641,525	0.0173		2033
2034	35,015,044,506	0.0%	5,357,150	1,875,000	404,000	2,279,000	7,636,150		7,636,150	0.0173		2034
2035	35,015,044,506	0.0%	3,695,700	1,970,000	310,250	2,280,250	5,975,950		5,975,950	0.0124		2035
2036	35,015,044,506	0.0%	3,692,400	2,065,000	211,750	2,276,750	5,969,150		5,969,150	0.0124		2036
2037	35,015,044,506	0.0%	1,140,600	2,170,000	108,500	2,278,500	3,419,100		3,419,100	0.0049		2037
2038	35,015,044,506	0.0%	1,141,600				1,141,600		1,141,600	(0.0018)		2038
2039	35,015,044,506	0.0%	1,141,000				1,141,000		1,141,000	(0.0018)		2039
2040	35,015,044,506	0.0%	1,138,800				1,138,800		1,138,800	(0.0018)		2040
2041	35,015,044,506	0.0%										2041
2042	35,015,044,506	0.0%										2042
2043	35,015,044,506	0.0%										2043
2044	35,015,044,506	0.0%										2044
2045	35,015,044,506	0.0%										2045
2046	35,015,044,506	0.0%										2046
2047	35,015,044,506	0.0%										2047
2048	35,015,044,506	0.0%										2048
2049	35,015,044,506	0.0%										2049
2050	35,015,044,506	0.0%										2050
Total			\$ 265,097,062	\$ 28,400,000	\$ 16,883,664	\$ 45,283,664	\$ 310,380,726	\$(1,303,000)	\$ 309,077,726			

⁽¹⁾ Certified Freeze Adjusted TAV. Average annual growth rate of 3.0% over the last 5 years and 12.7% over the last 10 years.

⁽²⁾ Calculated approximately I&S tax rate except 2017-2018. Includes estimated freeze adjustment starting at \$1,612,597.

Financing Team

ISSUER	HIDALGO COUNTY, TEXAS
FINANCIAL ADVISOR	Estrada Hinojosa & Company, Inc.
BOND COUNSEL	The J. Ramirez Law Firm
UNDERWRITERS	Jefferies: Senior Manager Stephens Inc.: Co-Manager William Blair: Co-Manager
UNDERWRITERS' COUNSEL	Locke Lord LLP
PAYING/ESCROW AGENT	Bank of New York Mellon Trust Company

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