

City of Beaumont

Community Facilities District No. 93-1
(Improvement Area No. 17D)
Special Tax Bonds, Series 2024



October 15, 2024



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1. Financing Overview

Project and Development Summary

- ▶ Improvement Area 17D formed on May 19, 2015
- ▶ Consists of the final subdivision of the Tournament Hills master planned community (“Tournament Hills”)
- ▶ Planned for 268 single family homes being developed by Tri Pointe
- ▶ Development and ownership status as of July 31, 2024:
 - ▶ 202 completed and conveyed to individual homeowners
 - ▶ 1 model home owned by Tri Pointe
 - ▶ 63 under construction
 - ▶ 2 finished lots
- ▶ Additional 27 closings as of September 22, 2024 for a total of 229
- ▶ Tri Pointe expects to complete and convey all remaining homes to individual homeowners by the second quarter of 2025

Financing Overview

- ▶ Not to exceed par amount of \$25,000,000 approved at formation
 - ▶ 2024 Bonds are expected to be issued in an amount of \$9,400,000*
 - ▶ Additional Parity Bonds for refunding purposes only
- ▶ 2024 Bonds will be structured so that special taxes will provide 1.10x coverage on annual debt payments and expected administrative expenses
 - ▶ Special Tax includes 2% escalation pursuant to the Rate and Method of Apportionment and an existing agreement with Tri Pointe
 - ▶ Last remaining 93-1 IA issuance with an escalator
- ▶ Authorized facilities financed with bond proceeds: primarily street improvements, as well as storm drain, sewer and other improvements
 - ▶ Includes capital improvements financed with Development Impact Fees
- ▶ Select bond statistics provided on slide 11

Pardee Homes Settlement Agreement

- ▶ Pardee Homes (now Tri Pointe) and the City entered into Development Agreements (DAs) for Sundance and Tournament Hills communities
- ▶ The DAs required the City to form CFDs to finance facilities and fees
- ▶ In February 2017, the City and Pardee Homes entered into a Settlement Agreement to resolve certain disputes related to the infrastructure financing provisions of the DAs related to CFD 93-1 IA's 8, 8A, 8B, 8C, 8D, 8E, 8F, 17A, 17B, 17C and 17D
- ▶ Pardee Homes agreed to advance DIF and/or build public infrastructure for the City and release claims against City
- ▶ 2024 Bonds are being issued in accordance with the Settlement Agreement

2. SEC Compliance, Items Subject to Council Approval

Securities and Exchange Commission Compliance

- ▶ The Preliminary Official Statement and Official Statement contain SEC mandated disclosure related to the Cease-and-Desist Order and the Beaumont Financing Authority's compliance history with its continuing disclosure undertakings
- ▶ The City has and will comply with its disclosure policies and the SEC Cease-and-Desist Order
- ▶ The Official Statement was reviewed by the financing team
- ▶ City staff and City Council have received disclosure training

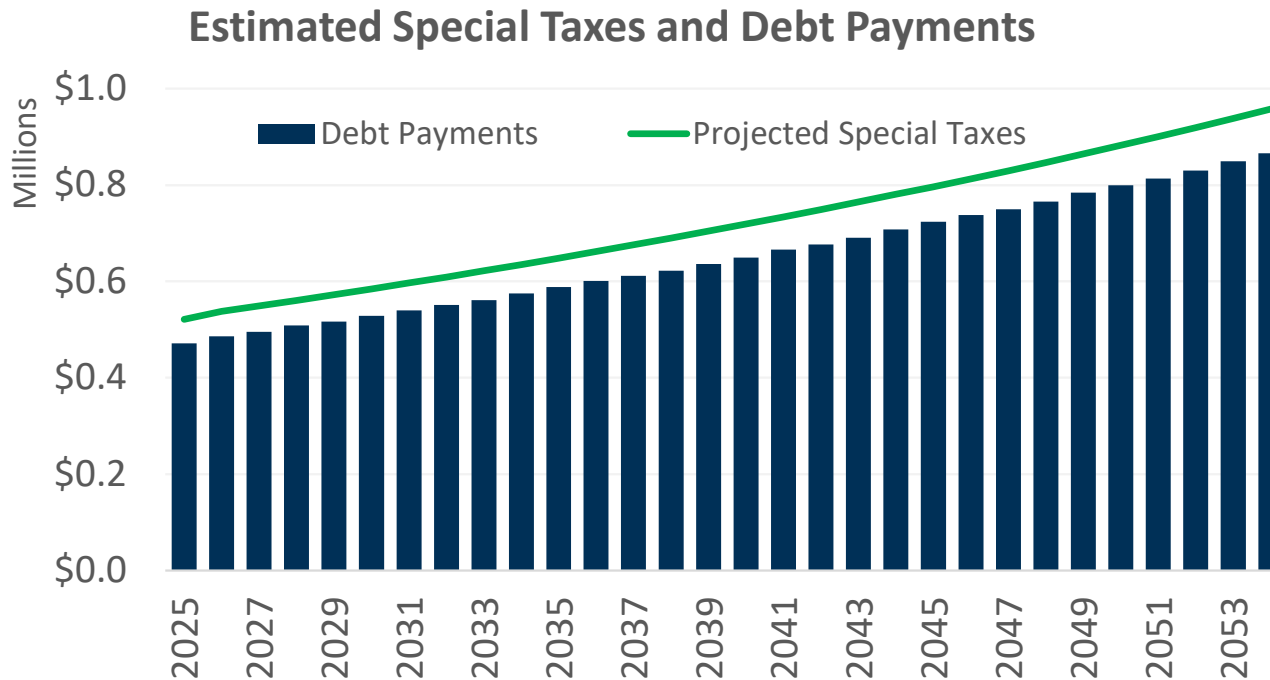
Items Subject to City Council Approval

- ▶ Resolution of the City Council of the City of Beaumont
 - ▶ Authorizing the issuance of the 2024 Bonds in an amount not to exceed \$10,500,000
 - ▶ Approving certain documents and taking certain other actions
 - ▶ Documents:
 - Preliminary Official Statement
 - Bond Indenture
 - Acquisition Agreement
 - Bond Purchase Agreement
 - Continuing Disclosure Certificate
 - ▶ Other Actions:
 - Hiring of financing team
 - Compliance with Debt Issuance and Management Policy
 - Acknowledgment of Good Faith Estimates

3. Financing Details and Schedule

Select Financing Statistics

- ▶ Par Amount: **\$9,400,000***
- ▶ True Interest Cost: **4.78%***
- ▶ Final Maturity: **September 1, 2054**
- ▶ Net Special Taxes will provide **1.10x coverage** on annual debt payments



*Preliminary and subject to change. Based on market conditions as of September 12, 2024

Estimated Costs of Issuance

- ▶ Issuance costs in line with past, similarly sized City CFD financings

Estimated Issuance Costs*		
<u>Role</u>	<u>Party</u>	<u>Total</u>
Bond/Disclosure Counsel	Stradling	\$85,000
Municipal Advisor	Urban Futures	47,500
Underwriter	Stifel	122,200
Special Tax Consultant	Spicer Consulting Group	25,000
Appraiser	Integra	20,000
Trustee	Zions Bancorporation	5,100
Printer	To be determined	2,500
Contingency	---	<u>4,900</u>
Estimated Costs		\$312,200

*Preliminary and subject to change. Based on market conditions as of September 12, 2024

Financing Schedule*

- ▶ Assuming approval this evening, the 2024 Bonds are expected to price the week of October 21st and close two weeks later

Date	Description
Tuesday, October 15 th	City Council meeting
Wednesday, October 16 th	Post Preliminary Official Statement (make available to prospective investors)
Week of October 21 st	Pricing of 2024 Bonds
Week of November 4 th	Settlement of 2024 Bonds