

City of Beaumont

Community Facilities District No. 2016-3
(Sundance)
2025 Special Tax Bonds



March 18, 2025



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1. Financing Overview

Project and Development Summary

- ▶ City formed CFD 2016-3 in 2017
- ▶ First series of bonds issued in 2023
- ▶ Proposed 2025 Bonds will be on parity with 2023 Bonds
 - ▶ Final series of new money bonds to reimburse Tri-Pointe
- ▶ CFD consists of age-restricted (55+) single family homes known as 'Altis Beaumont' being developed by Tri-Pointe
 - ▶ CFD is a part of the 'Sundance' Master Planned Community
- ▶ Property in the CFD contains 704 Parcels
- ▶ Development and ownership status as of January 17, 2025:
 - ▶ 556 completed and conveyed to individual homeowners
 - ▶ 11 completed model homes owned by developer
 - ▶ 40 under construction
 - ▶ 97 finished lots
- ▶ Tri Pointe expects to complete and convey all remaining homes to individual homeowners by the second quarter of 2026

Financing Overview

- ▶ Not to exceed par amount of \$22,000,000 approved at formation
 - ▶ \$8,800,000 of 2023 Bonds previously issued
 - ▶ \$7,500,000 not to exceed par amount for 2025 Bonds
 - ▶ Additional parity bonds for refunding purposes only
- ▶ 2025 Bonds will be structured so that special taxes will provide 1.10x coverage on the 2023 Bonds and 2025 Bonds debt service and expected administrative expenses
- ▶ Bond proceeds will finance public improvements constructed by Tri-Pointe or certain Development Impact Fees (DIF)
 - ▶ Pursuant to a Settlement Agreement (discussed on next slide), the Developer agreed to pay/advance DIF to the City for construction of authorized facilities
- ▶ 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
- ▶ Per Settlement Agreement, the City agreed to form CFDs 2016-2 and 2016-3, issue bonds and release “pay-go” special taxes previously collected, to Pardee Homes
- ▶ Pardee Homes agreed to advance DIF and/or build public infrastructure for the City and release claims against City
- ▶ 2025 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

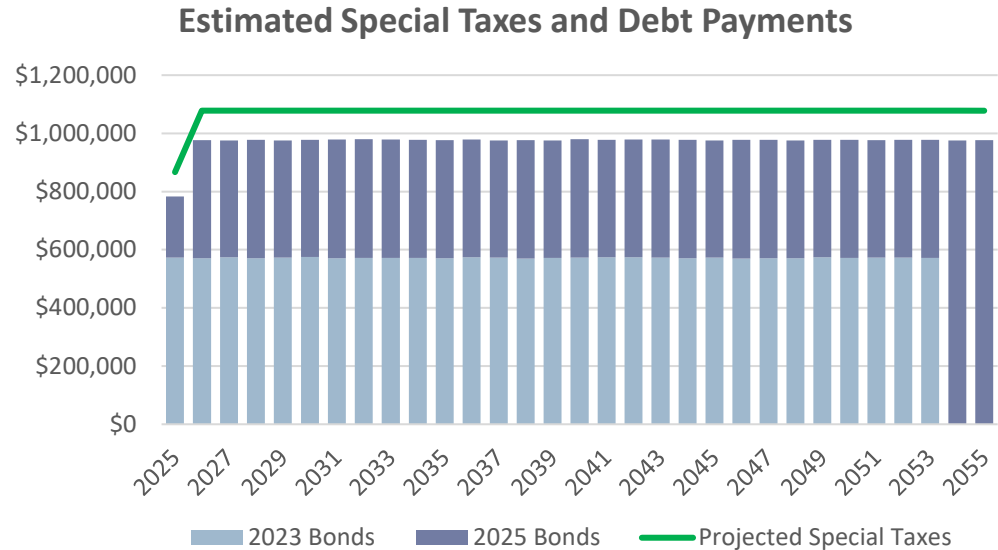
Items Subject to City Council Approval

- ▶ City Resolution authorizing the issuance of bonds
 - ▶ Authorizing the 2025 Bonds in an amount not to exceed \$7,500,000
 - ▶ Approving certain documents and taking certain other actions
 - ▶ Preliminary Official Statement
 - ▶ First Supplement to Bond Indenture
 - ▶ Bond Purchase Agreement
 - ▶ Continuing Disclosure Agreement
 - ▶ Hire Financing Team
 - ▶ Compliance with Debt Issuance and Management Policy
 - ▶ Acknowledgment of Good Faith Estimates
- ▶ City Resolution approving First Amendment to Acquisition Agreement

3. Financing Details and Schedule

Select Financing Statistics

- ▶ Par Amount: **\$6,580,000***
- ▶ True Interest Cost: **4.97%***
- ▶ Final maturity: **2055 (30-years)**
- ▶ Special taxes collected provide **1.10x coverage** on the 2023 Bonds and 2025 Bonds
- ▶ Level payments; **no** escalation



Estimated Costs of Issuance

- ▶ Issuance costs in line with past, similarly sized city CFD financings
 - ▶ \$8.8mm CFD 2016-3 (Sundance) 2023 bonds: **\$305,280**

Estimated Issuance Costs		
<u>Role</u>	<u>Party</u>	<u>Total</u>
Underwriter & Counsel	Stifel	\$97,055
Bond/Disclosure Counsel	Stradling	85,000
Municipal Advisor	Urban Futures	47,500
Special Tax Consultant	Spicer	25,000
Appraiser	Integra	20,000
Trustee	Wilmington	5,100
Printer	AVIA	2,500
Contingency	---	<u>4,900</u>
Estimated Costs		\$287,055

Tentative Schedule

- ▶ Assuming City Council approval this evening, the bonds are expected to price next week and close two weeks later

Date	Description
Tuesday, March 18th	City Council Meeting to Approve Financing
Wednesday, March 19th	Post Preliminary Official Statement (Make Available to Prospective Investors)
Week of March 24th	Pricing of 2025 Bonds
Week of April 7th	Settlement of 2025 Bonds (Date of Issuance)