



City of Beaumont

Proposed Refunding of Outstanding Bonds Related to Improvement Areas 7A1, 19A, 18, 16 and 8B of Community Facilities District No. 93-1

June 3, 2025



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1. Financing Overview

Summary

- ▶ On March 18, 2025, City Council approved moving forward with the refunding of certain outstanding bonds of CFD 93-1 to generate annual savings for homeowners
- ▶ City Council established a minimum savings threshold for the refunding of each CFD bond issue of either 3.0% net present value savings or \$200 in annual savings per parcel
- ▶ In aggregate, Improvement Areas 7A1, 19A, 18, 16 and 8B have \$33.27 million outstanding
- ▶ The proposed refunding bonds will be issued through the Beaumont Public Improvement Authority (Authority)
- ▶ 2025 Bonds are expected to qualify for an investment grade rating, bond insurance and a surety reserve policy

2. Items Subject to Council Approval

Items Subject to Approval

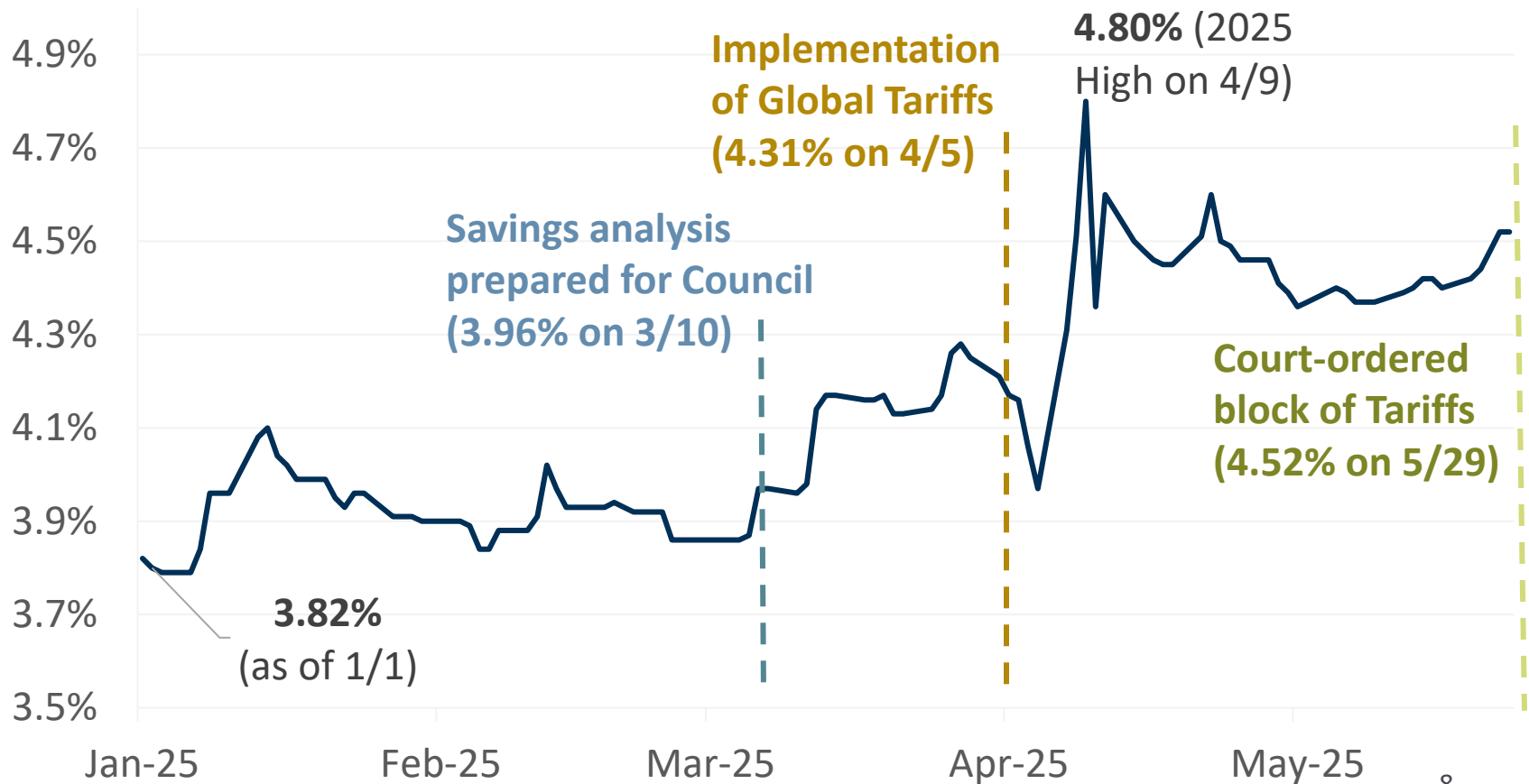
- ▶ Resolutions of the City Council of the City of Beaumont acting as Legislative Body of CFD 93-1, the Board of Directors of the Beaumont Public Improvement Authority, and the Board of Directors of the Beaumont Financing Authority
- ▶ Authorizing the Issuance of CFD 93-1 IA 7A1 Bonds, CFD 93-1 IA 19A Bonds, CFD 93-1 IA 18 Bonds, CFD 93-1 IA 16 Bonds and CFD 93-1 IA 8B Bonds; and the Local Agency Revenue Refunding Bonds, Series 2025 in an amount not-to-exceed \$30,000,000
- ▶ Approving certain documents and other actions
 - ❑ Preliminary Official Statement
 - ❑ Authority Indenture of Trust
 - ❑ Bond Indentures (Local Obligations)
 - ❑ Bond Purchase Agreement
 - ❑ Escrow Agreements
 - ❑ Continuing Disclosure Certificate

3. Financing Details and Schedule

Municipal Market Overview

- ▶ 30-year tax-exempt interest rate (AAA MMD) has increased by +0.70% since 1/1 and by +0.56% since preparation of Council analysis on 3/10

30-Year AAA MMD Yield 2025 YTD



Updated Savings

- Recent rise in rates have caused estimated savings for all CFDs to decline; per parcel savings have increased in most CFDs (due to the contribution of available cash to downsize the size of the borrowing)

PRIOR SAVINGS: Based on 3/19 Market Conditions

Issuer	Year Issued	Area of CFD 93-1	Community Name at Issuance	Homes	Par Value Refunded	NPV \$	NPV %	Total Savings	Annual Savings	Savings /Parcel
BFA	2015	IA-7A1	Four Seasons	484	\$8,755,000	\$576,918	6.6%	\$1,361,686	\$68,084	\$141
BFA	2015	IA-19A	Oak Valley	546	12,640,000	790,398	6.3%	2,367,285	236,728	434
BFA	2015	IA-18	Stetson	194	3,100,000	84,797	2.7%	461,064	51,229	264
BFA	2015	IA-16	Shadow Creek	241	4,555,000	141,093	3.1%	680,952	75,661	314
CFD	2017	IA-8B	Sundance	192	4,220,000	113,386	2.7%	211,346	17,612	92

UPDATED SAVINGS: Based on 5/29 Market Conditions

Issuer	Year Issued	Area of CFD 93-1	Community Name at Issuance	Homes	Par Value Refunded	NPV \$	NPV %	Total Savings	Annual Savings	Savings /Parcel
BFA	2015	IA-7A1	Four Seasons	484	\$8,755,000	\$288,118	3.3%	\$1,532,134	\$76,607	158
BFA	2015	IA-19A	Oak Valley	546	12,640,000	584,813	4.6%	2,556,594	255,659	472
BFA	2015	IA-18	Stetson	194	3,100,000	42,313	1.4%	486,245	54,027	280
BFA	2015	IA-16	Shadow Creek	241	4,555,000	78,581	1.7%	771,584	85,732	357
CFD	2017	IA-8B	Sundance	192	4,220,000	8,399	0.2%	48,012	4,001	21

Estimated Costs of Issuance*

Estimated Issuance Costs*		
<u>Role</u>	<u>Party</u>	<u>Total</u>
Bond/Disclosure Counsel	Stradling	\$150,000
Municipal Advisor ¹	Urban Futures, Inc.	62,500
Special Tax Consultant ²	Spicer Consulting	67,500
Trustee	Zions Bank	15,000
Trustee's Counsel	Dorsey	1,750
Rating Agency	Standard & Poor's	40,000
Verification Agent	Causey	5,000
Printer	AVIA	2,500
Underwriter ³	Stifel	177,626
Contingency	--	<u>5,750</u>
Total Estimated Costs		\$527,626

Variable fees: 1) UFI fees per CFD: \$12,500; 2) Spicer Consulting fees per CFD: \$13,500;
 3) Stifel fees: 0.675% of par amount

Financing Schedule

- ▶ Assuming Council approval this evening, staff will assess next steps based on market conditions
- ▶ If market conditions are favorable (support 3% NPV savings or \$200 in annual savings per parcel) the financing team will proceed with next steps:
 - ▶ Post preliminary official statement (make available to prospective investors)
 - ▶ Price the 2025 Bonds
 - ▶ Close the 2025 Bonds