

# Beaumont Public Improvement Authority

Local Agency Revenue Bonds, Series 2025B



November 4, 2025



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# 1. Financing Overview

# Project and Development Summary

- ▶ CFD 2023-1 Improvement Areas 1 & 2 formed on June 20, 2023
  - ▶ Located in the western portion of the City, west of the I-10 and north of Oak Valley Parkway
- ▶ Improvement Area 1
  - ▶ Consists of two non-contiguous tax zones in the District
  - ▶ Being developed by D.R. Horton into 132 single-family homes
- ▶ Improvement Area 2
  - ▶ Consists of one tax zone in the center of the District
  - ▶ Being developed by Meritage Homes into 287 single-family homes



Ownership and Development Summary (as of September 5, 2025)		
	<u>IA-1</u>	<u>IA-2*</u>
<b>Individually Owned</b>		
Completed	131	271
<b>Developer Owned</b>		
Completed	1	3
Under Construction	-	13
<b>Total</b>	<b>132</b>	<b>287</b>

\*As of October 8, 2025, Meritage had completed construction on all homes, and owned 8 homes in escrow, expected to close in November 2025

# Financing Overview

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- ▶ The proposed 2025B Bonds will be issued through the Beaumont Public Improvement Authority (Authority)
  - ▶ Authority will acquire each improvement area's bond issue (Local Obligations)
  - ▶ First use of the structure for a new money issuance
- ▶ Recommended financing structure will strengthen the credit, reduce issuance costs and increase investor interest
- ▶ Not to exceed par amounts of \$3,500,000 for Improvement Area 1 and \$11,000,000 for Improvement Area 2 approved at formation
  - ▶ Local Obligations are expected to be issued in par amounts of \$2,050,000\* for Improvement Area 1 and \$7,015,000\* for Improvement Area 2
  - ▶ Additional Parity Bonds for refunding purposes only
- ▶ 2025B Bonds will be secured by debt service 'revenues' from the Local Obligations and the Local Obligations will be secured by 'net taxes' that will provide 110% coverage on annual debt payments and admin expenses
  - ▶ Special taxes do not escalate
- ▶ Authorized facilities financed with proceeds: road and park improvements

## 2. Items Subject to Council Approval

# Items Subject to Approval

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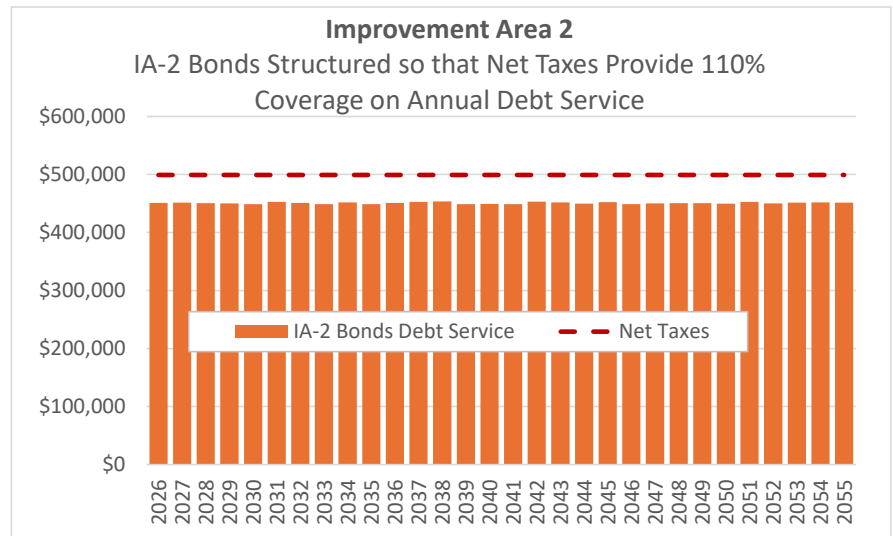
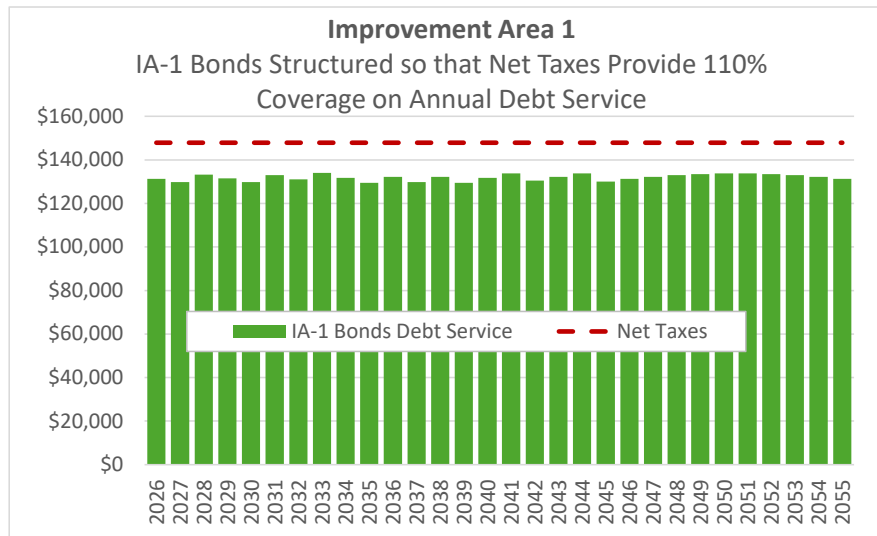
- ▶ City Council to hold a public hearing and be presented with a resolution making findings of significant public benefit in the PIA's issuance of the 20025B Bonds
- ▶ Resolutions of the City Council of the City of Beaumont acting as Legislative Body of CFD 2023-1 and the Board of Directors of the Beaumont Public Improvement Authority
- ▶ Authorizing the Issuance of bonds by Improvement Area 1 and Improvement Area 2; and the Local Agency Revenue Bonds, Series 2025B in an amount not-to-exceed \$10,000,000
  - ▶ Approving certain documents and other actions
    - ▶ Documents:
      - Preliminary Official Statement
      - Authority Indenture of Trust
      - Bond Indentures (Local Obligations)
      - Bond Purchase Agreement
      - Continuing Disclosure Certificate

### 3. Financing Details and Schedule

# Bond Structure and Select Financing Statistics

- ▶ 2025B Bonds will be secured by debt service 'revenues' from the Local Obligations; Local Obligations will be secured by 'net taxes' from each Improvement Area (110% debt service coverage)

Select Financing Statistics			
	Local Obligations		2025B Bonds
	IA-1 Bonds	IA-2 Bonds	
<b>Par Amount</b>	\$2,050,000	\$7,015,000	\$9,065,000
<b>Final Maturity</b>	2055	2055	2055
<b>True Interest Cost</b>	5.05%	5.05%	5.05%
<b>Average Annual Debt Payments</b>	133,069	454,694	587,763
<b>Total Debt Payments</b>	3,958,056	13,524,614	17,482,669



\*Preliminary and subject to change. Based on market conditions as of October 16, 2025

# Estimated Costs of Issuance

- ▶ One of the benefits to the structure of the 2025B Bonds is that it will achieve economies of scale, leading to lower issuance costs
- ▶ Based on contractual fees, standalone issuance costs would equal approximately \$500,000
- ▶ Proposed issuance costs include the following fee reductions:
  - ▶ Stradling: \$20K
  - ▶ UFI: \$20K
  - ▶ Underwriter: \$40K<sup>1</sup>
  - ▶ Appraiser: \$13K
- ▶ Total fee savings of approximately \$93K

2025B Bonds: Estimated Issuance Costs*		
<u>Role</u>	<u>Party</u>	<u>Total</u>
Bond/Disclosure Counsel	Stradling	\$150,000
Municipal Advisor	Urban Futures, Inc.	60,000
Special Tax Consultant	Spicer Consulting	50,000
Appraiser	Integra	25,000
Trustee	Zions Bank	8,900
Trustee's Counsel	Dorsey	3,250
Printer	AVIA	2,500
Underwriter	Stifel	100,984
Contingency	--	<u>2,850</u>
<b>Estimated Costs</b>		<b>\$403,484</b>

1. Estimated based on recent similarly-sized CFD bonds issued by the City.

\*Preliminary and subject to change.

# Financing Schedule\*

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- ▶ Assuming approval this evening, the 2025B Bonds are expected to price the week of November 11<sup>th</sup> and close two weeks later

Date	Description
Tuesday, November 4 <sup>th</sup>	City Council meeting
Wednesday, November 5 <sup>th</sup>	Post Preliminary Official Statement (make available to prospective investors)
Week of November 11 <sup>th</sup>	Pricing of 2025B Bonds
Week of December 1 <sup>st</sup>	Settlement of 2025B Bonds