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Prospective Bond CIP Presentation

**City of Forney, Texas**

July 12, 2022

# Presentation Topics

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Tax Base Assumptions

Bond Election Issuance Assumptions

I&S Tax Rate Projections

## City of Forney's Tax Base Assumptions

*Because cities issue long term bonds to pay for their large capital expenditures, tax base assumptions are used to structure the issuance of any new authorization in order to calculate/project the I&S tax rate going forward.*

<b>Tax Base Growth Assumptions</b>	
<b>Fiscal Years</b>	<b>Growth Rate</b>
<b>2023</b>	<b>19.00%</b>
<b>2024</b>	<b>10.00%</b>
<b>2025</b>	<b>7.00%</b>
<b>2026</b>	<b>5.00%</b>
<b>2027-2029</b>	<b>3.00%</b>
<b>thereafter</b>	<b>1.50%</b>

**The City's Tax Base has an average annual growth rate of 12% over the past 10 years.**

*As the City's tax base grows \$0.01 of tax rate produces more dollars which can be leveraged to fund additional debt service (bonds).*

*If the City's tax base grows at a slower than the projected rate, the City can utilize the following tools before increasing its I&S tax rate:*

- *Use excess I&S fund balance*
- *Take advantage of any bond refinancings*
- *Delay the issuance and/or structure any new debt*

## Bond Election Assumptions - \$234,800,000 Bond Authorization

<b>Bond Election Structuring Assumptions</b>				
<b>Project</b>	<b>Amount</b>	<b>Issuance Date</b>	<b>Term</b>	<b>Interest Rate</b>
Fire Station #2	\$6,900,000	2023	25 Years	4.50%
New Fire Station #1	25,600,000	2023	25 Years	4.50%
New Fire Station #3	13,300,000	2025	25 Years	5.00%
Northside Park	48,800,000	2023	25 Years	4.50%
Community Park Ph 2	20,000,000	2025	25 Years	5.00%
Recreation Center	46,000,000	2026	25 Years	5.25%
Library/Community Center	21,500,000	2023	25 Years	4.50%
Lovers Lane	7,600,000	2028	25 Years	5.25%
FM 548 / Monitor	9,600,000	2029	25 Years	5.25%
Community Park Road Ext	5,600,000	2025	25 Years	5.00%
Grade Separation	29,900,000	2025	25 Years	5.00%

# I&S Tax Rate Projections – Existing Debt

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>	<u>I</u>	<u>J</u>	<u>K</u>	<u>L</u>	<u>M</u>
Fiscal Year Ended 9/30	Taxable Assessed Valuation <sup>(1)</sup>	Outstanding Debt (As of 9/30/2021)			Less: W&S Self-Supporting Debt Requirements	TX DOT Pass Through Payments and Redemptions				Net Existing Debt Service	Estimated Debt Service Fund Balance Contribution <sup>(4)</sup>	Estimated Required Debt Service Tax Rate <sup>(3)</sup>
		Principal	Interest	Total		Anticipated Pass-Through Payments <sup>(2)</sup>	Amount Budgeted For Annual D/S	Excess for Annual Bond Redemption	Cumulative Refunded Debt Service			
2022	\$ 2,321,777,375	\$ 5,190,000	\$ 1,066,929	\$ 6,256,929	\$ 298,775	\$ 4,019,140	\$ 2,009,570	\$ 2,009,570	-	\$ 3,948,584	\$ 323,400	\$ 0.1450
2023	2,767,000,000	4,340,000	882,587	5,222,587	306,444	863,357	863,357	-	(92,338)	3,960,448	324,250	0.1327
2024	3,043,700,000	3,600,000	754,223	4,354,223	308,256				(92,338)	3,953,629	324,800	0.1204
2025	3,256,759,000	3,380,000	645,953	4,025,953	304,500				(92,338)	3,629,115		0.1126
2026	3,419,596,950	3,180,000	540,781	3,720,781					(92,338)	3,628,443		0.1072
2027	3,522,184,859	3,365,000	432,450	3,797,450					(427,338)	3,370,113		0.0966
2028	3,627,850,404	1,885,000	350,748	2,235,748					(234,750)	2,000,998		0.0557
2029	3,736,685,916	1,935,000	294,068	2,229,068					(237,150)	1,991,918		0.0538
2030	3,792,736,205	2,005,000	234,523	2,239,523					(244,075)	1,995,448		0.0531
2031	3,849,627,248	2,055,000	171,057	2,226,057					(290,288)	1,935,769		0.0508
2032	3,907,371,657	2,410,000	101,190	2,511,190	-				(953,888)	1,557,302		0.0403
2033	3,965,982,232	495,000	37,569	532,569	-				-	532,569		0.0136
2034	4,025,471,965	515,000	19,178	534,178	-				-	534,178		0.0134
2035	4,085,854,045	160,000	7,350	167,350						167,350		0.0041
2036	4,147,141,855	165,000	2,475	167,475						167,475		0.0041
		<u>\$ 34,680,000</u>	<u>\$ 5,541,081</u>	<u>\$ 40,221,081</u>	<u>\$ 1,217,975</u>	<u>\$ 4,882,497</u>	<u>\$ 2,872,927</u>	<u>\$ 2,009,570</u>	<u>\$ (2,756,838)</u>		<u>\$ 972,450</u>	

(1) FYE 2022 Certified Taxable Assessed Valuation less TIF value. Assumes 19% growth in 2023, 10% growth in 2024, 7% growth in 2025, 5% growth in 2026, 3% growth in 2027 -2029, and 1.5% growth thereafter.

(2) Estimated by City Staff. As of September 30, 2021, the City has received \$35,308,903 of PT revenues from TX-DOT.

(3) Assumes collection rate of 99%. FYE 2021 tax rate is actual.

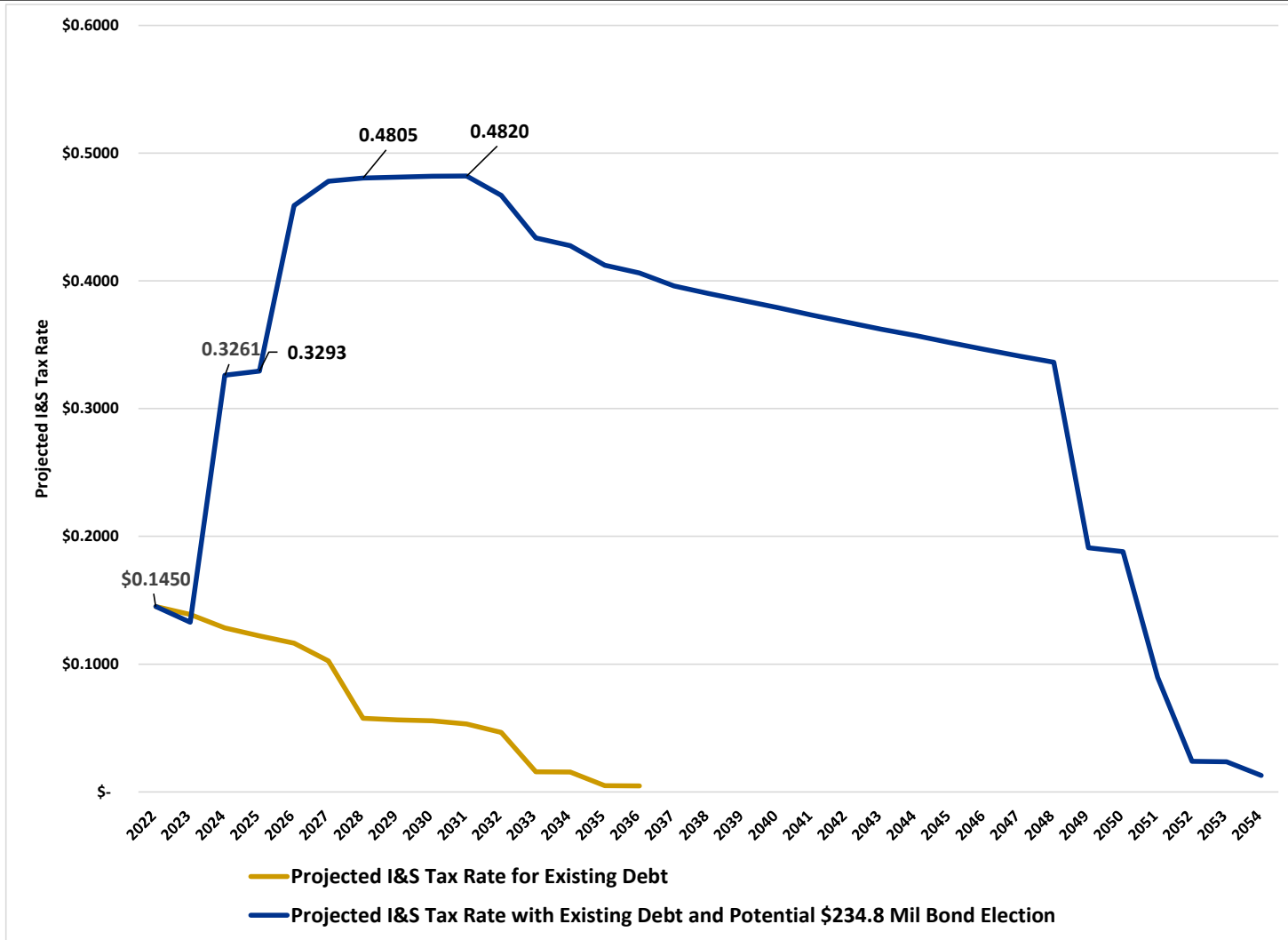
(4) Assumes that the 2017 Tax Note is to be paid by debt service fund balance through maturity in 2024.

# I&S Tax Rate Projections – Proposed \$234,800,000 Additional Bonds

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>	<u>I</u>	<u>J</u>	<u>K</u>	<u>L</u>	<u>M</u>	<u>N</u>
	Potential Bond Election													
Fiscal Year Ended	\$45,800,000 - Fire Projects			\$114,800,000 - Parks & Recreation			Com. Facilities	\$52,700,000 - Streets/Roads						
	Fire Station #2	Fire Station #1	Fire Station #3	Northside Park	Community Park	Recreation Center	Library/Senior Center	Lovers Lane	FM 548	Com Park Road	Grade Separation			
9/30	\$6,900,000	\$25,600,000	\$13,300,000	\$48,800,000	\$20,000,000	\$46,000,000	\$21,500,000	\$7,600,000	\$9,600,000	\$5,600,000	\$29,900,000			
	7/1/23 - 4.50%	7/1/2023 - 4.50%	7/1/2025 - 5.00%	7/1/23 - 4.50%	7/1/25 - 5.00%	7/1/26 - 5.25%	7/1/23 - 4.50%	7/1/2028 - 5.25%	7/1/2029 - 5.25%	7/1/2025 - 5.00%	7/1/2025 - 5.00%	Total D/S	Tax Rate Impact	
2022														-
2023														-
2024	\$ 460,863	\$ 1,439,425		\$ 2,855,400			\$ 1,442,538					\$ 6,198,225		0.2057
2025	461,725	1,746,413		3,341,225			1,439,825					6,989,188		0.2168
2026	464,300	1,748,063	\$ 936,403	\$ 3,336,550	\$ 1,409,847		1,441,763		\$ 397,097	\$ 2,170,097		11,904,119		0.3516
2027	461,538	1,528,425	938,000	2,655,150	1,409,375	\$ 2,856,229	1,437,688		392,750	1,616,000		13,295,154		0.3813
2028	463,438	1,747,663	938,125	3,336,838	1,407,125	3,361,400	1,437,600		396,500	2,169,125		15,257,813		0.4248
2029	464,888	1,745,713	937,500	3,340,750	1,408,750	3,358,638	1,441,275	\$ 550,010	394,875	2,167,000		15,809,398		0.4274
2030	461,000	1,747,300	936,125	3,336,850	1,409,125	3,358,119	1,438,713	549,288	\$ 692,188	393,000	1,778,000	16,099,706		0.4288
2031	461,775	1,747,313	938,875	3,340,025	1,408,250	3,359,581	1,439,913	550,625	691,925	395,750	2,099,250	16,433,281		0.4312
2032	462,100	1,745,750	935,750	3,340,050	1,411,000	3,357,894	1,439,763	551,438	696,031	393,125	2,169,000	16,501,900		0.4266
2033	461,975	1,747,500	936,750	3,336,925	1,407,375	3,357,925	1,438,263	546,856	694,481	395,125	2,169,875	16,493,050		0.4201
2034	461,400	1,747,450	936,750	3,340,425	1,412,250	3,359,413	1,440,300	551,750	692,406	396,625	2,168,500	16,507,269		0.4142
2035	460,375	1,745,600	935,750	3,340,325	1,410,500	3,362,094	1,440,763	550,988	694,675	392,750	2,169,750	16,503,569		0.4080
2036	463,788	1,746,838	938,625	3,341,513	1,412,125	3,360,838	1,439,650	549,700	696,156	393,500	2,168,500	16,511,231		0.4022
2037	461,638	1,746,050	935,375	3,338,875	1,412,000	3,360,513	1,441,850	547,888	691,981	393,750	2,169,625	16,499,544		0.3959
2038	463,925	1,748,125	936,000	3,337,300	1,410,125	3,360,856	1,442,250	550,419	692,150	393,500	2,168,000	16,502,650		0.3902
2039	460,650	1,747,950	940,250	3,341,450	1,411,375	3,361,606	1,440,850	547,294	696,400	397,625	2,168,500	16,513,950		0.3847
2040	461,813	1,750,413	938,125	3,341,100	1,410,625	3,362,500	1,442,538	548,513	694,731	396,125	2,170,875	16,517,356		0.3790
2041	462,300	1,745,513	939,625	3,341,138	1,407,875	3,358,406	1,442,200	548,944	692,275	394,125	2,170,000	16,502,400		0.3731
2042	462,113	1,748,138	939,625	3,341,338	1,408,000	3,359,063	1,439,838	548,588	693,900	396,500	2,170,750	16,507,850		0.3677
2043	461,250	1,748,063	938,125	3,336,588	1,410,750	3,359,075	1,440,338	547,444	694,475	393,250	2,168,000	16,497,356		0.3620
2044	464,600	1,750,175	940,000	3,341,550	1,411,000	3,358,181	1,438,588	550,381	694,000	394,375	2,171,500	16,514,350		0.3571
2045	462,163	1,749,363	935,250	3,340,888	1,408,750	3,360,988	1,439,475	547,400	692,475	394,750	2,171,000	16,502,500		0.3515
2046	463,938	1,745,625	938,750	3,339,488	1,408,875	3,362,100	1,437,888	548,500	694,769	394,375	2,166,500	16,500,806		0.3463
2047	459,925	1,748,738	935,375	3,337,125	1,411,125	3,361,256	1,438,713	548,550	695,750	393,250	2,167,750	16,497,556		0.3411
2048	460,125	1,748,475	940,000	3,338,463	1,410,375	3,358,194	1,441,725	547,550	695,419	396,250	2,169,375	16,505,950		0.3363
2049			937,500		1,411,500	3,362,388		550,369	693,775	393,375	2,171,125	9,520,031		0.1911
2050			937,875		1,409,375	3,358,444		547,006	695,688	394,625	2,167,875	9,510,888		0.1881
2051						3,360,969		547,463	691,156			4,599,588		0.0896
2052								551,475	695,050			1,246,525		0.0239
2053								549,044	692,238			1,241,281		0.0235
2054									692,719			692,719		0.0129
2055												-		-
	\$ 11,553,600	43,160,075	23,440,528	82,317,325	35,247,472	83,496,667	36,004,300	13,727,479	17,346,813	9,866,972	53,215,972	409,377,203		

Based on projected tax base growth rates and interest rates as provided herein.

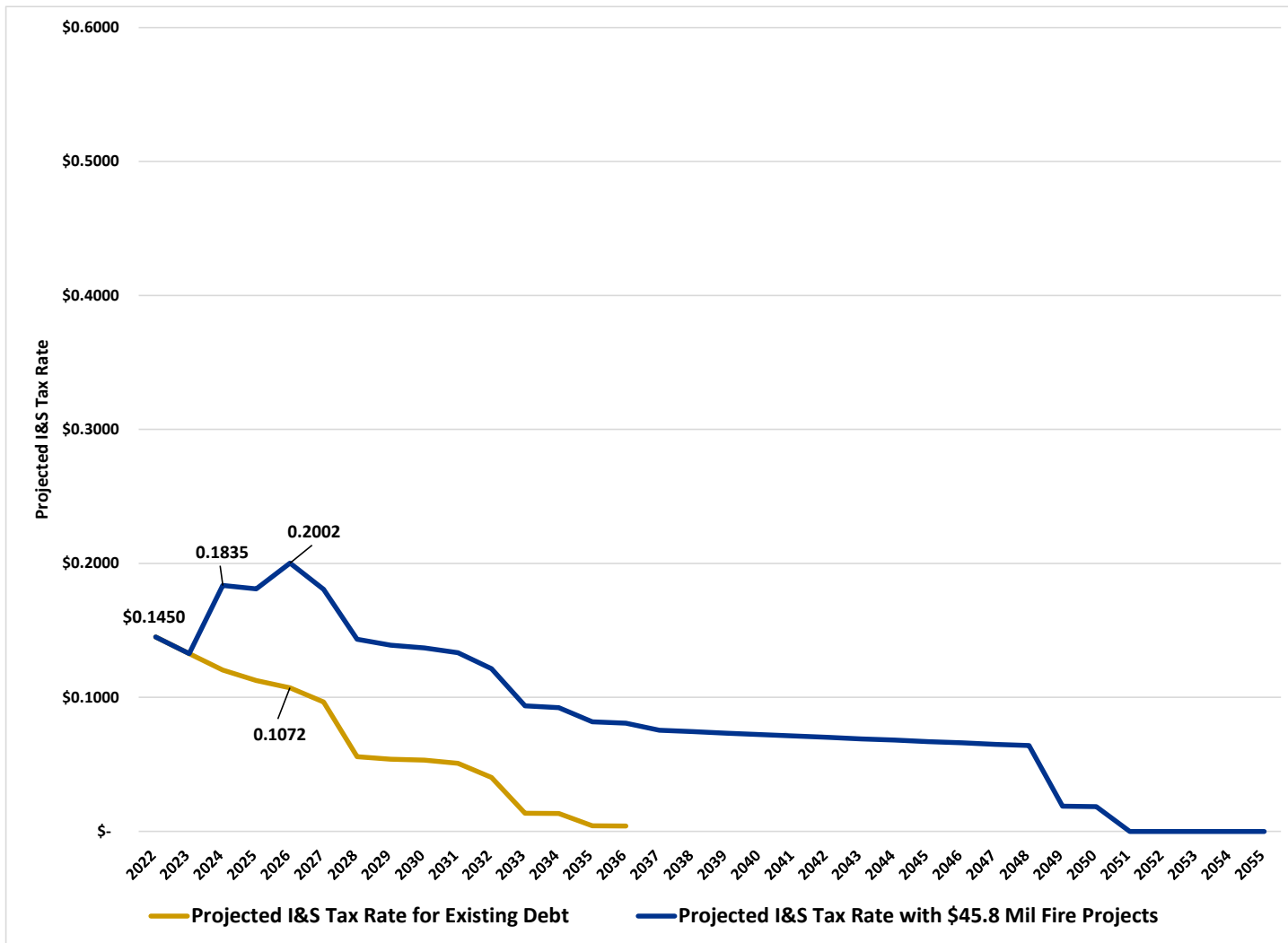
# I&S Tax Rate Projections – Proposed \$234,800,000 Additional Bonds



Max Projected I&S Tax Rate	FYE 2022 I&S Tax Rate	Projected Tax Rate Increase	Annual Impact on \$100,000 of Taxable Value	Monthly Impact on \$100,000 of Taxable Value
\$0.4820	\$0.1450	\$0.3370	\$337.00	\$28.08

*Based on projected tax base growth rates and interest rates as provided herein.*

# Tax Rate Impact is Not Linear – Existing Debt PLUS Only Fire Projects

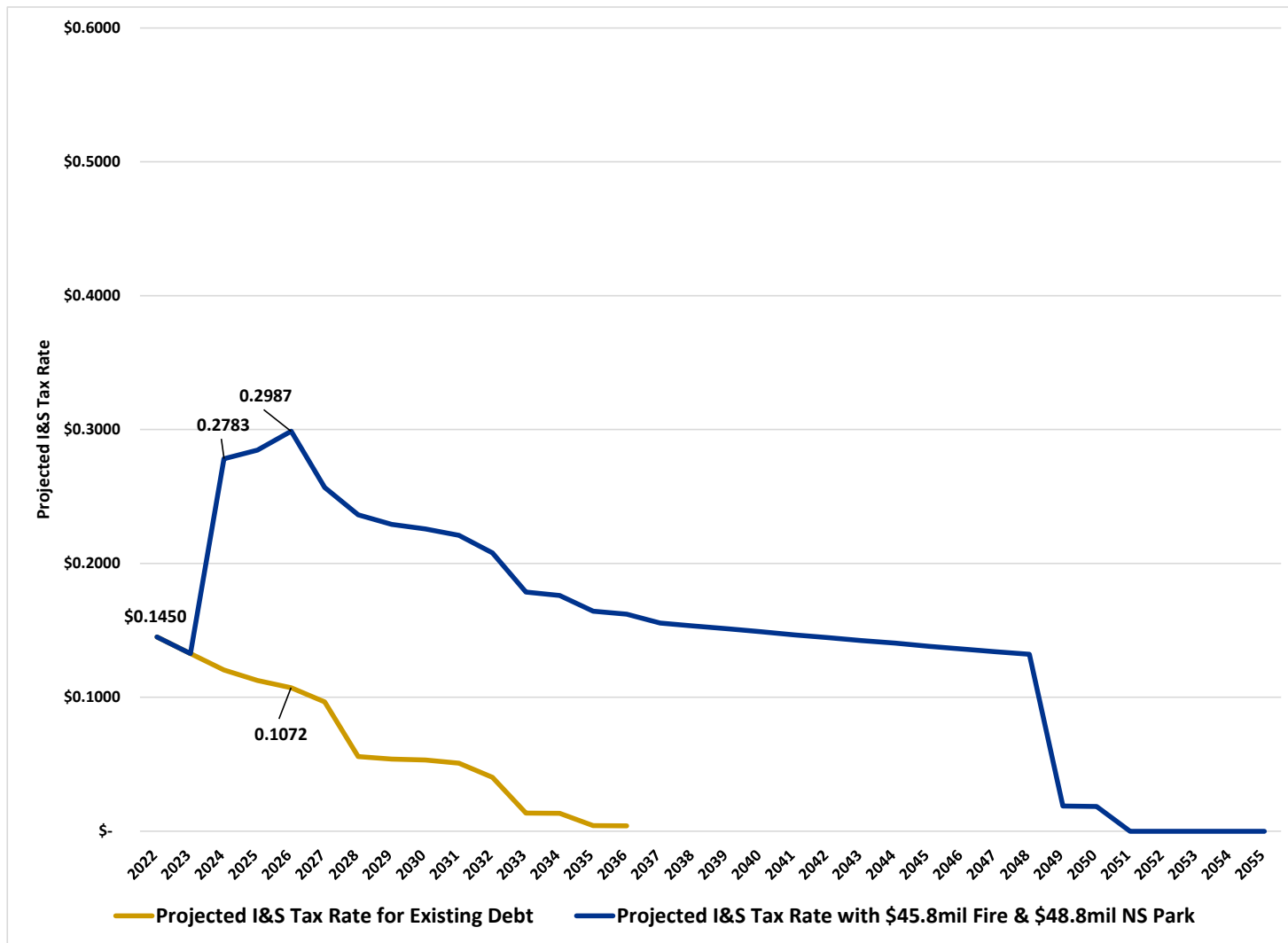


Max Projected I&S Tax Rate	FYE 2022 I&S Tax Rate	Projected Tax Rate Increase	Annual Impact on \$100,000 of Taxable Value	Monthly Impact on \$100,000 of Taxable Value
<b>\$0.2002</b>	<b>\$0.1450</b>	<b>\$0.0552</b>	<b>\$55.20</b>	<b>\$4.60</b>

*Based on projected tax base growth rates and interest rates as provided herein.*



# Tax Rate Impact is Not Linear – Existing Debt PLUS Fire & Northside Park



Max Projected I&S Tax Rate	FYE 2022 I&S Tax Rate	Projected Tax Rate Increase	Annual Impact on \$100,000 of Taxable Value	Monthly Impact on \$100,000 of Taxable Value
<b>\$0.2987</b>	<b>\$0.1450</b>	<b>\$0.1537</b>	<b>\$153.70</b>	<b>\$12.81</b>

*Based on projected tax base growth rates and interest rates as provided herein.*