

Overview of the Proposed 2023 Bonds

Lubbock County, Texas

November 28, 2022



SPECIALIZED PUBLIC FINANCE INC.
FINANCIAL ADVISORY SERVICES

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Overview of the Plan of Finance

- On May 4, 2019, Lubbock County (the “County”) voters approved a bond referendum authorizing the issuance of \$99,650,000 based on the growth of the taxable assessed valuation of the County.
 - Over the initial two phases, the County has issued total bond proceeds of \$46,125,000.
 - The remaining Authorized but Unissued Balance is \$53,525,000.

- The remaining Authorized but Unissued Balance is anticipated to be issued without an increase on the County’s existing I&S Tax Rate of \$0.033298.

- The following model assumes remaining Authorized but Unissued Balance will be issued in two phases. The initial \$46.425 million would close in March 2023. The reminding issuance would occur after the 2023 tax rolls are certified to ensure the I&S Tax Rate requirements are met based on the actual growth.
 - The Bonds will be structured with an amortization of seventeen (17) years.
 - All proposed bond issuance phases under this voter referendum are projected to have a final maturity in 2040.

- Interest rates included in this analysis reflect the market as of November 21, 2022 plus a cushion for unanticipated market movements.



Proforma Model of the Estimated Tax Rate Impact

Based the Current Assessed Value (~18% increase from prior year)

Fiscal Year Ending 30-Sep	Adjusted Net Taxable Value ⁽¹⁾	Projected Growth Rate	Existing Debt Service	Interest rate as of November 21, 2022 ⁽²⁾			Aggregate Existing & Proposed Debt Service	Projected Tax Rate @ 98% ⁽³⁾
				Aggregate; Bond Series 2023				
				Principal	Interest	Total		
2023	\$25,191,211,155	18.0%	8,363,737	-	-	-	8,363,737	0.0333
2024	26,198,859,601	4.0%	3,805,512	1,615,000	3,129,327	4,744,327	8,549,840	0.0333
2025	26,984,825,389	3.0%	3,797,587	2,945,000	2,067,338	5,012,338	8,809,925	0.0333
2026	27,794,370,151	3.0%	4,016,387	3,100,000	1,957,600	5,057,600	9,073,987	0.0333
2027	28,628,201,255	3.0%	3,101,437	2,515,000	1,856,213	4,371,213	7,472,650	0.0266
2028	29,487,047,293	3.0%	3,102,037	2,600,000	1,763,450	4,363,450	7,465,487	0.0258
2029	30,371,658,712	3.0%	3,099,037	2,705,000	1,667,213	4,372,213	7,471,250	0.0251
2030	31,282,808,473	3.0%	3,102,237	2,800,000	1,567,300	4,367,300	7,469,537	0.0244
2031	32,221,292,727	3.0%	3,100,587	2,905,000	1,463,738	4,368,738	7,469,325	0.0237
2032	33,187,931,509	3.0%	2,858,662	3,015,000	1,356,238	4,371,238	7,229,900	0.0222
2033	34,183,569,455	3.0%	2,859,256	3,130,000	1,237,838	4,367,838	7,227,094	0.0216
2034	35,209,076,538	3.0%	2,859,287	3,260,000	1,107,913	4,367,913	7,227,200	0.0209
2035	36,265,348,834	3.0%	2,858,159	3,400,000	965,125	4,365,125	7,223,284	0.0203
2036	37,353,309,299	3.0%	2,860,819	3,555,000	808,638	4,363,638	7,224,456	0.0197
2037	38,473,908,578	3.0%	2,862,206	3,725,000	644,213	4,369,213	7,231,419	0.0192
2038	39,628,125,836	3.0%	2,860,781	3,900,000	470,713	4,370,713	7,231,494	0.0186
2039	40,816,969,611	3.0%	2,856,491	4,080,000	288,475	4,368,475	7,224,966	0.0181
2040	42,041,478,699	3.0%	2,860,731	4,275,000	97,650	4,372,650	7,233,381	0.0176
			\$61,224,956	\$ 53,525,000	\$ 22,448,977	\$ 75,973,977	\$ 137,198,933	

⁽¹⁾ Assessed Value for FY2022 & FY2023 reflect actual values.

Projected AV growth rates provided by the County (historical 10-year growth avg. = 4.58%).

⁽²⁾ Series 2023A +25 basis points and Series 2023B +25 basis points

⁽³⁾ Assumes 98% Tax Rate collections.



Overview of the Series 2023A Bonds & 2023B Bonds

Fiscal Year Ending 30-Sep	Series 2023A (February 2023) Current Rates +25bps			Series 2023B (Late Summer 2023) Current Rates +25bps			AGGREGATE NEW DEBT SERVICE		
	TIC = 4.08% 17 Year Debt Service			TIC = 4.17% 17 Year Debt Service			Principal	Interest	Total
	Principal	Interest	Total	Principal	Interest	Total			
2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2024	1,390,000	2,723,077	4,113,077	225,000	406,250	631,250	1,615,000	3,129,327	4,744,327
2025	2,460,000	1,759,325	4,219,325	485,000	308,013	793,013	2,945,000	2,067,338	5,012,338
2026	2,795,000	1,667,363	4,462,363	305,000	290,238	595,238	3,100,000	1,957,600	5,057,600
2027	2,195,000	1,580,038	3,775,038	320,000	276,175	596,175	2,515,000	1,856,213	4,371,213
2028	2,270,000	1,501,900	3,771,900	330,000	261,550	591,550	2,600,000	1,763,450	4,363,450
2029	2,355,000	1,420,963	3,775,963	350,000	246,250	596,250	2,705,000	1,667,213	4,372,213
2030	2,435,000	1,337,138	3,772,138	365,000	230,163	595,163	2,800,000	1,567,300	4,367,300
2031	2,525,000	1,250,338	3,775,338	380,000	213,400	593,400	2,905,000	1,463,738	4,368,738
2032	2,615,000	1,160,388	3,775,388	400,000	195,850	595,850	3,015,000	1,356,238	4,371,238
2033	2,715,000	1,060,325	3,775,325	415,000	177,513	592,513	3,130,000	1,237,838	4,367,838
2034	2,825,000	949,525	3,774,525	435,000	158,388	593,388	3,260,000	1,107,913	4,367,913
2035	2,945,000	826,763	3,771,763	455,000	138,363	593,363	3,400,000	965,125	4,365,125
2036	3,080,000	691,200	3,771,200	475,000	117,438	592,438	3,555,000	808,638	4,363,638
2037	3,225,000	549,338	3,774,338	500,000	94,875	594,875	3,725,000	644,213	4,369,213
2038	3,375,000	400,838	3,775,838	525,000	69,875	594,875	3,900,000	470,713	4,370,713
2039	3,530,000	245,475	3,775,475	550,000	43,000	593,000	4,080,000	288,475	4,368,475
2040	3,690,000	83,025	3,773,025	585,000	14,625	599,625	4,275,000	97,650	4,372,650
	\$ 46,425,000	\$ 19,207,015	\$ 65,632,015	\$ 7,100,000	\$ 3,241,963	\$ 10,341,963	\$ 53,525,000	\$ 22,448,977	\$ 75,973,977



Proposed Financing Timeline

November							December							January							February							March						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
		1	2	3	4	5					1	2	3	1	2	4	4	5	6	7				1	2	3	4				1	2	3	4
6	7	8	9	10	11	12	4	5	6	7	8	9	10	8	9	10	11	12	13	14	5	6	7	8	9	10	11	5	6	7	8	9	10	11
13	14	15	16	17	18	19	11	12	13	14	15	16	17	15	16	17	18	19	20	21	12	13	14	15	16	17	18	12	13	14	15	16	17	18
20	21	22	23	24	25	26	18	19	20	21	22	23	24	22	23	24	25	26	27	28	19	20	21	22	23	24	25	19	20	21	22	23	24	25
27	28	29	30				25	26	27	28	29	30	31	29	30	31					26	27	28					26	27	28	29	30	31	

Date	Task
Monday, November 28, 2022	<u>Court Meeting</u> - Update from Specialized Public Finance Inc. (“SPFI”) on the financing plan for the Bonds. The Court will consider providing SPFI with authorization to pursue the issuance of the Bonds. (10:00 a.m.)
Week of: Monday, January 2, 2023	SPFI to distribute the Preliminary Official Statement (“POS”) for comment and requests the rating from S&P’s Global Ratings (“S&P”).
Week of: Monday, January 16, 2023	Rating conference call with S&P
Thursday, February 2, 2023	Rating is received from S&P. SPFI to post the POS for potential investors.
Monday, February 13, 2023	<u>Negotiated Sale</u> – Interest rates are negotiated between the Underwriter and SPFI. (9:00 a.m.) <u>Court Meeting</u> – Final pricing results are presented by SPFI. The Court will award the Bonds to the winning bidder. (10:00 a.m.)
Tuesday, March 14, 2023	<u>Closing</u> - The Bonds close and the proceeds of the Bonds are deposited into the County’s construction fund.



History of Municipal Interest Rates (MMD Rate)

History of Bond Buyer Tax-Exempt Interest Rates Since 1961

