

# Presentation to City of Pflugerville, Texas

## regarding

### \$6,500,000 Travis County MUD No. 23 Unlimited Tax Bonds, Series 2021

Travis County Municipal Utility District No. 23 (the “District”) was created in May 6, 2017 after receiving approvals from the City of Pflugerville, Texas (the “City” or “Pflugerville”), the Texas Commission on Environmental Quality (“TCEQ”) and an election held within the District. The District is an “In-City” MUD and is located entirely within the city limits of Pflugerville.

The District is located entirely within the corporate limits of the City of Pflugerville, Texas on the eastern edge of the City (approximately one-half mile south of the intersection of Weiss Lane and East Pflugerville Parkway, and approximately one-half mile north of the intersection of Weiss Lane and East Pecan Street). The District is located approximately three (3) miles east of downtown Pflugerville.

The proposed Series 2021 bond issue will cover \$6,500,000 in unlimited tax new money bonds for acquisition, construction, and maintenance of roads. The bonds will cover all of the street improvements for Carmel West Phase 1, Sections 1 and 2, Carmel West Phase 2, Sections 1 – 5, Carmel West Pleasanton Parkway Collector Street, and Wolf Pack Drive Collector Street.

Development of the District commenced in January 2018, and the following chart illustrates the number of homes that have been constructed within the District over the past two years.

Calendar Year	No. of Single-Family Homes Constructed
2018	149
2019	469
2020	269*
Total	887

\* As of August 27, 2020; includes 258 homes constructed and 11 homes under construction.

Currently, there are 9 active homebuilders constructing homes within the District and the current status of development as of August 27, 2020, is shown below.

Section	Acreage	Platted Lots	Completed Homes	Homes Under Construction	Vacant Lots
<b>A. Single Family Developed with Utility Facilities</b>					
Carmel West Phase 1, Section 1	21.470	87	82	-	5
Carmel West Phase 1, Section 2	39.890	195	192	-	3
Carmel West Phase 2, Section 1	39.080	141	138	2	1
Carmel West Phase 2, Section 2	28.360	140	139	1	-
Carmel West Phase 2, Section 3	28.600	122	120	-	2
Carmel West Phase 2, Section 4	35.910	86	86	-	-
Carmel West Phase 2, Section 5	79.242	128	118	8	2
Carmel West Phase 3, Section 1	40.687	184	-	-	184
<b>Total Single Family Developed with Utilities</b>	<b>313.239</b>	<b>1,083</b>	<b>875</b>	<b>11</b>	<b>197</b>
<b>B. Remaining Developable Acreage</b>					
Single-Family Residential (includes ROW)	40.687	198			
<b>Total Remaining Developable Acreage</b>	<b>40.687</b>	<b>382</b>			
<b>C. Parks and Recreational Facilities (Amenity Center)</b>					
	18.090				
<b>D. Undevelopable Acreage</b>					
Open Space/Flood Plain (78.65 acres in Flood Plain)	85.037				
<b>Total Undevelopable Acreage</b>	<b>85.037</b>				
<b>Total District Acreage</b>	<b>457.053</b>				

With the development of lots and construction of homes, the District's assessed valuation has now grown to an estimated assessed valuation of \$203,166,885 as of January 1, 2020. The chart below shows the increase in assessed valuation and tax revenues collected by the City over the past 3 years.

Year	Projected Assessed Valuation	Projected City Tax Revenues City Tax Rate \$0.4863	Projected Cumulative Tax Revenue
2018	\$ 5,807,379	28,241	28,241
2019	68,376,532	332,515	332,515
2020	203,166,885	988,001	988,001
2021	269,540,933	1,310,778	2,298,778
2022	316,396,424	1,538,636	3,837,414
2023	351,186,704	1,707,821	5,545,235
2024	377,627,317	1,836,402	7,381,637
2025	377,627,504	1,836,403	9,218,039
2025 and Thereafter		1,865,071	11,083,110

The Projected Assessed Valuation is based on the 2020 estimated home value provided by the Travis Central Appraisal District ("TCAD").

Upon Issuance of the Series 2021 bonds listed below, the District will have a total outstanding bonded debt of \$19,900,000 as shown below. Pursuant to the Consent Agreement with the City, The District may issue up to a total principal amount of \$19,900,000 Unlimited Tax Bonds.

Dated Date	Purpose	Original Series	Original Principal Amount	Principal Amount Outstanding after the Issuance of the Bonds
04/23/19	Water, Wastewater and Drainage	2019	4,300,000	4,300,000
05/12/20	Roads	2020	9,100,000	9,100,000
02/21/21	Roads	2021	6,500,000	6,500,000 <sup>(a)</sup>
	<b>Subtotal</b>		<b>\$ 19,900,000</b>	<b>\$ 19,900,000</b>

(a) The Bonds.

It is currently anticipated that the District will be fully built-out by the end of 2024.

**Travis County MUD No. 23****ROAD BOND ISSUE NO. 2****SUMMARY OF COSTS****CONSTRUCTION COSTS****Total Cost      District Share**

1. Carmel West Phase 1 Section 1 Collector Street Improvements	\$ 1,795,887	\$ 156,149
2. Carmel West Phase 1 Section 2 Collector Street Improvements	2,926,836	423,313
3. Carmel West Phase 2 Sections 1 and 2 Collector Street Improvements	5,632,295	978,650
4. Carmel West Phase 2 Section 3 Collector Street Improvements	1,706,872	278,717
5. Carmel West Phase 2 Sections 4 and 5 Collector Street Improvements	3,573,080	498,405
6. Carmel West Pleasanton Parkway Collector Street Improvements	1,225,019	674,742
7. Carmel West Phase 2 Sections 4 and 5 Street Improvements	2,471,540	946,060 <sup>(1)</sup>
8. Wolf Pack Drive- Collector Street	537,400	455,000 <sup>(2)</sup>
9. Engineering Fees and Inspection Fees	<u>2,035,391</u>	<u>792,397 <sup>(3)</sup></u>

**TOTAL CONSTRUCTION COSTS****\$ 21,904,320      \$ 5,203,433****NON-CONSTRUCTION COSTS**

A. General Counsel Fees (1.5%)	\$ 97,500 <sup>(4)</sup>
B. Bond Counsel Fees (1.5%)	97,500 <sup>(4)</sup>
B. Financial Advisor Fees (2.5%)	162,500 <sup>(5)</sup>
C. Interest Costs	
1. Capitalized Interest (24 Months at 3.5%)	455,000
2. Developer Interest ( 3.5%) Construction Only	238,959
D. Underwriter's Discount (3.0%)	195,000
E. Bond Issuance Expense	35,109 <sup>(6)</sup>
F. Bond Engineering Fee	8,500 <sup>(7)</sup>
G. Attorney General Fee (0.1% of BIR w/ max \$9,500)	<u>6,500</u>

**TOTAL NON-CONSTRUCTION COSTS****\$ 1,296,568****TOTAL BOND ISSUE REQUIREMENT****\$ 6,500,000****Notes:**

(1) Amount remaining that was not issued with Road Bond Issue #1 due to bond amount limitations,

(2) Amount per Development Agreement, North School Road (Wolf Pack Drive)-\$455,000; Sidewalk on north side of North School Road - \$62,400; Street Lights on north side of North School Road - \$20,000

(3) Engineering and Inspection Fees Include Districts share of Local Streets and Collector Road Fees

Note: only a portion of the full COP Inspection fees were utilized due to bond amount limitations

(4) General Counsel Legal Fees and Bond Counsel Fees are 1.5% of the Bond Amount each.

(5) Financial Advisor Fees are 2.5% of the bond amount.

(6) Bond issuance expenses for the bonds include \$10,000 for Disclosure Counsel; \$15,000 for a reimbursement audit; \$3,000 for Official Statement Preparation; plus Research, Rating, Printing, Distribution and Misc.

(7) Bond Engineering Fee per approved proposal by District, fee is 0.19% of the bond amount plus expenses.

## Selected Financial Information

(Unaudited)

2020 Certified Assessed Valuation	\$	203,166,885
Estimated Assessed Valuation as of March 20, 2020	\$	211,251,201
 Gross Debt Outstanding (after issuance of the Bonds)	 \$	 19,900,000
Ratio of Gross Debt to 2020 Preliminary Assessed Valuation <sup>(b)</sup>		9.79%
Ratio of Gross Debt to Estimated Assessed Valuation as of March 20, 2020 <sup>(c)</sup>		9.42%
 2020 Tax Rate		
Debt Service	\$	0.2953
Maintenance		0.1148
<b>Total 2020 Tax Rate</b>	<b>\$</b>	<b>0.4101</b>
 Debt Service Fund Balance (as of March 26, 2020)	 \$	 844,759
 Percentage of current tax collections (Tax Years 2017-2019)		99.27%
 Percentage of total tax collections (Tax Years 2017-2019)		99.27%
 Number of active connections as of March 20, 2020		
Single Family - Complete & Occupied	698	
Single Family - Builder & Vacant	144	
<b>Total Number of Active Connections</b>		<b>842</b>
 Estimated Population as of March 20, 2020		2,443 <sup>(h)</sup>

### Outstanding Bonds - Table 6

Dated Date	Purpose	Original Series	Original Principal Amount	Principal Amount Outstanding after the Issuance of the Bonds
04/23/19	W, WW & Drainage	2019	\$ 4,300,000	\$ 4,300,000
05/12/20	Roads	2020	9,100,000	9,100,000
01/21/21	Roads	2021	6,500,000	6,500,000 <sup>(a)</sup>
	<b>Subtotal</b>		<b>\$ 19,900,000</b>	<b>\$ 19,900,000</b>

(a) The Bonds.

# Travis County Municipal Utility District No. 23

## Projection of Income and Expenses - Debt Service Fund

Growth

\$ 6,500,000 Unlimited Tax Bonds, Series 2021

prepared by Public Finance Group

Year	Projected Assessed Valuation	Tax Rate Per \$100 A.V.	Tax Collections @ 99%	Investment Income @ 1.50%	Total Available for Debt	Total Outstanding Debt	Issued Series 2020 @ 3.050423%	Projected Series 2021 @ 3.50%	Projected Total Debt	Cumulative Debt Fund Balance	Percentage of Subsequent Year's Debt
2019	\$ 68,377,922	\$ 0.1175								\$ 274,202	(a)
2020	\$ 203,166,885	\$ 0.2915	\$ 80,344	\$ 4,113	\$ 358,659	\$ 144,065	\$ 81,491		\$ 225,556	688,280	(b) 76.05%
2021	245,217,751	0.3810	586,309	10,324	1,284,914	259,065	514,144	\$ 131,875	905,084	607,330	(c) 51.44%
2022	295,081,264	0.3810	924,937	9,110	1,541,377	261,535	509,344	409,875	1,180,754	360,623	30.52%
2023	320,474,720	0.3810	1,113,017	5,409	1,479,049	263,775	509,344	408,400	1,181,519	297,531	25.12%
2024	320,474,720	0.3810	1,208,799	-	1,506,329	263,775	503,944	416,750	1,184,469	321,860	27.19%
2025	320,474,720	0.3810	1,208,799	-	1,530,659	265,775	503,344	414,575	1,183,694	346,965	29.35%
2026	320,474,907	0.3810	1,208,799	-	1,555,764	267,525	502,344	412,225	1,182,094	373,670	31.54%
2027	320,474,907	0.3810	1,208,799	-	1,582,469	269,015	500,944	414,700	1,184,659	397,811	33.68%
2028	320,474,907	0.3810	1,208,799	-	1,606,610	270,235	499,144	411,825	1,181,204	425,406	35.96%
2029	320,474,907	0.3810	1,208,799	-	1,634,205	271,175	503,044	408,775	1,182,994	451,212	38.11%
2030	320,474,907	0.3810	1,208,799	-	1,660,011	276,825	506,744	400,550	1,184,119	475,892	40.20%
2031	320,474,907	0.3810	1,208,799	-	1,684,692	277,025	509,431	397,325	1,183,781	500,910	42.35%
2032	320,474,907	0.3810	1,208,799	-	1,709,710	281,910	516,894	383,925	1,182,729	526,981	44.45%
2033	320,474,907	0.3810	1,208,799	-	1,735,780	281,310	513,581	390,700	1,185,591	550,189	46.53%
2034	320,474,907	0.3810	1,208,799	-	1,758,988	285,370	525,150	371,950	1,182,470	576,518	48.72%
2035	320,474,907	0.3810	1,208,799	-	1,785,317	283,910	525,775	373,550	1,183,235	602,082	50.93%
2036	320,474,907	0.3810	1,208,799	-	1,810,882	287,085	525,188	369,800	1,182,073	628,809	53.06%
2037	320,474,907	0.3810	1,208,799	-	1,837,609	289,910	534,325	360,875	1,185,110	652,499	55.20%
2038	320,474,907	0.3810	1,208,799	-	1,861,298	287,170	537,913	356,950	1,182,033	679,265	57.41%
2039	320,474,907	0.3810	1,208,799	-	1,888,065	289,250	541,088	352,850	1,183,188	704,877	59.57%
2040	320,474,907	0.3810	1,208,799	-	1,913,676	290,855	548,850	343,575	1,183,280	730,396	61.84%
2041	320,474,907	0.3810	1,208,799	-	1,939,196	291,975	549,900	339,300	1,181,175	758,021	64.08%
2042	320,474,907	0.3810	1,208,799	-	1,966,820	292,600	555,500	334,850	1,182,950	783,870	66.27%
2043	320,474,907	0.3810	1,208,799	-	1,992,669	292,200	555,500	335,225	1,182,925	809,744	67.38%
2044	320,474,907	0.3810	1,208,799	-	2,018,544	296,400	860,050	45,250	1,201,700	816,844	68.93%
2045	320,474,907	0.3810	1,208,799	-	2,025,643	-	-	1,185,075	1,185,075	840,568	
			\$ 29,298,190	\$ 28,957		\$ 6,839,735	\$ 12,932,972	\$ 9,770,750	\$ 29,543,457		

(a) Audited Debt Service Fund balance as of September 30, 2019.

\$ 274,202

(b) Includes capitalized interest (2 yrs @ 3.050423%) included in Series 2020 bond proceeds.

\$ 555,177

(c) Includes capitalized interest (1 yr @ 3.50%) included in the Series 2021 bond proceeds.

\$ 227,500

**Travis County Municipal Utility District No. 23**

**PROJECTION OF INCOME AND EXPENSE - GENERAL FUND**

	Audited	Audited	Projected	Budget	Estimated <sup>(a)</sup>				
	9/30/2018	9/30/2019	9/30/2020	2020/2021	9/30/2021	9/30/2022	9/30/2023	9/30/2024	9/30/2025
<b>Revenues</b>									
Property Taxes, Including Penalties	\$ 478	\$ 38,213	\$ 200,997	\$ 228,571	\$ 228,571	\$ 275,880	\$ 331,978	\$ 360,547	\$ 360,547
System Connection Fees	172,500	401,250	105,500	-	-	-	-	-	-
Interest	10	6,259	7,854	3,000	3,518	4,121	4,960	6,054	7,292
Miscellaneous	-	-	-	-	-	-	-	-	-
Developer Advance	41,000	35,000	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 213,988</b>	<b>\$ 480,722</b>	<b>\$ 314,351</b>	<b>\$ 231,571</b>	<b>\$ 232,088</b>	<b>\$ 280,001</b>	<b>\$ 336,938</b>	<b>\$ 366,601</b>	<b>\$ 367,839</b>
<b>Expenditures</b>									
Director Fees, including Payroll Taxes	\$ 4,521	\$ 6,136	\$ 9,518	\$ 7,605	\$ 7,833	\$ 8,068	\$ 8,310	\$ 8,559	\$ 8,816
Legal Fees	25,943	34,119	45,467	51,000	52,530	54,106	55,729	57,401	59,123
Engineering Fees	11,330	9,830	10,013	12,000	12,360	12,731	13,113	13,506	13,911
Accounting Fees	5,450	16,500	18,750	17,700	18,231	18,778	19,341	19,922	20,519
Financial Advisor Fees	1,540	1,540	1,220	1,500	1,545	1,591	1,639	1,688	1,739
Insurance	1,115	1,115	1,231	1,750	1,803	1,857	1,912	1,970	2,029
Utilities	-	-	-	-	-	-	-	-	-
Tax Appraisal/Collection Fees	37	109	1,483	3,000	3,090	3,183	3,278	3,377	3,478
Bank Service Charges	-	-	-	-	-	-	-	-	-
Other Consulting Fees	-	-	-	-	-	-	-	-	-
Elections	-	-	-	-	2,500	-	2,500	-	2,500
Capital Outlay	-	-	-	-	-	-	-	-	-
Audit	-	5,250	9,250	10,000	10,300	10,609	10,927	11,255	11,593
Security Lights	-	-	-	-	-	-	-	-	-
Landscaping Maintenance	-	-	-	-	-	-	-	-	-
Miscellaneous	227	982	350	1,200	1,236	1,273	1,311	1,351	1,391
<b>Total Expenditures</b>	<b>\$ 50,163</b>	<b>\$ 75,581</b>	<b>\$ 97,282</b>	<b>\$ 105,755</b>	<b>\$ 111,428</b>	<b>\$ 112,195</b>	<b>\$ 118,061</b>	<b>\$ 119,028</b>	<b>\$ 125,099</b>
<b>Net Revenues</b>	<b>\$ 163,825</b>	<b>\$ 405,141</b>	<b>\$ 217,069</b>	<b>\$ 125,816</b>	<b>\$ 120,661</b>	<b>\$ 167,805</b>	<b>\$ 218,877</b>	<b>\$ 247,573</b>	<b>\$ 242,740</b>
<b>General Fund Balance, Beginning of Yr</b>	<b>\$ 8,722</b>	<b>\$ 172,547</b>	<b>\$ 577,688</b>	<b>\$ 577,688</b>	<b>\$ 703,504</b>	<b>\$ 824,165</b>	<b>\$ 991,970</b>	<b>\$ 1,210,847</b>	<b>\$ 1,458,420</b>
Developer Reimbursement	\$ -		\$ -	\$ -	\$ -				
<b>General Fund Balance, End of Yr</b>	<b>\$ 172,547</b>	<b>\$ 577,688</b>	<b>\$ 794,757</b>	<b>\$ 703,504</b>	<b>\$ 824,165</b>	<b>\$ 991,970</b>	<b>\$ 1,210,847</b>	<b>\$ 1,458,420</b>	<b>\$ 1,701,159</b>
Six month reserve amount	\$ 25,082	\$ 37,791	\$ 48,641	\$ 52,878	\$ 55,714	\$ 56,098	\$ 59,031	\$ 59,514	\$ 62,550
Projected Assessed Valuation <sup>(b)</sup>	<b>\$ 4,075,538</b>	<b>\$ 68,377,922</b>	<b>\$ 203,166,885</b>	<b>\$ 203,166,885</b>	<b>\$ 245,217,751</b>	<b>\$ 295,081,264</b>	<b>\$ 320,474,720</b>	<b>\$ 320,474,720</b>	<b>\$ 320,474,720</b>
Maintenance Tax	\$ 0.4101	\$ 0.2926	\$ 0.2926	\$ 0.1148	\$ 0.1148	\$ 0.1148	\$ 0.1148	\$ 0.1148	\$ 0.1148
Estimated M & O Tax Revenues <sup>(c)</sup>	\$ 16,380	\$ 196,072	\$ 582,577	\$ 228,571	\$ 275,880	\$ 331,978	\$ 360,547	\$ 360,547	\$ 360,547
<b>PROJECTED TOTAL TAX RATE-</b>									
Maintenance & Operation	\$ 0.4101	\$ 0.2926	\$ 0.1186	\$ 0.0291	\$ 0.0291	\$ 0.0291	\$ 0.0291	\$ 0.0291	\$ 0.0291
Debt Service	-	0.1175	0.2915	0.3810	0.3810	0.3810	0.3810	0.3810	0.3810
<b>Total District Tax Rate</b>	<b>0.4101</b>	<b>0.4101</b>	<b>0.4101</b>	<b>0.4101</b>	<b>0.4101</b>	<b>0.4101</b>	<b>0.4101</b>	<b>0.4101</b>	<b>0.4101</b>
City of Plugerville Tax Rate	0.5399	0.5399	0.4976	0.4863	0.4863	0.4863	0.4863	0.4863	0.4863
<b>Total Projected Tax Rate</b>	<b>\$ 0.9500</b>	<b>\$ 0.9500</b>	<b>\$ 0.9077</b>	<b>\$ 0.8964</b>	<b>\$ 0.8964</b>	<b>\$ 0.8964</b>	<b>\$ 0.8964</b>	<b>\$ 0.8964</b>	<b>\$ 0.8964</b>

(a) Based on 3% annual increase in expenses.

(b) Based upon growth as provided by the developer.

(c) Based upon calculated maintenance & operation tax rate and a 98% tax collections rate.