

Preliminary Capital Planning Model | May 6, 2022

# City of San Marcos, Texas



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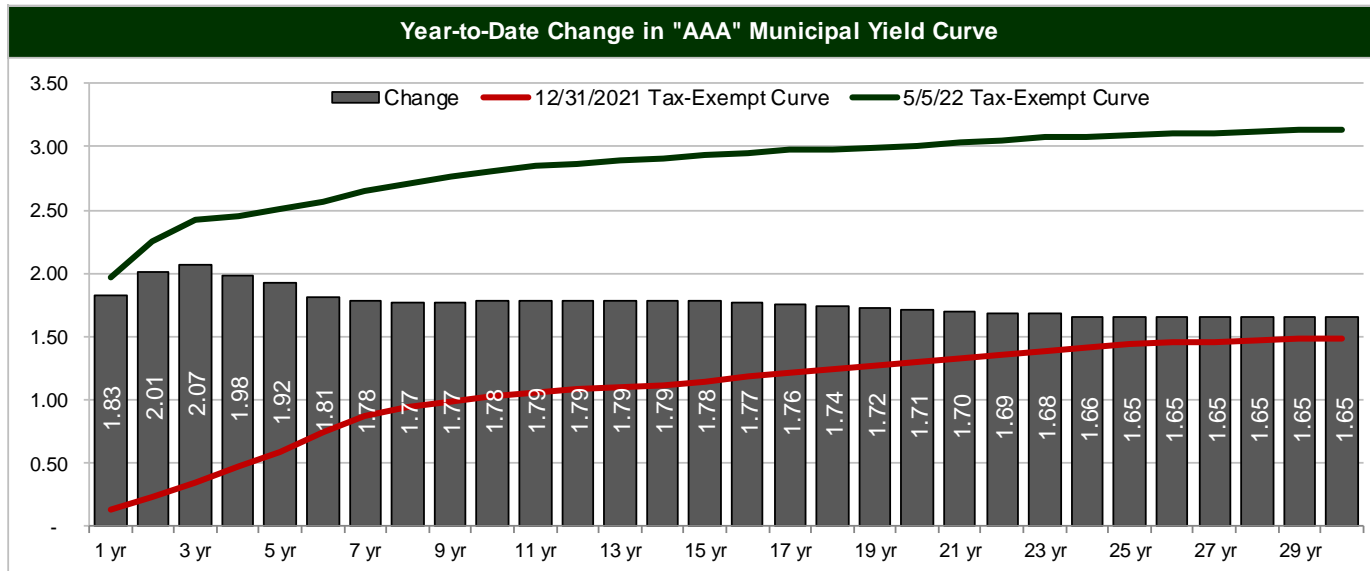


**SPECIALIZED PUBLIC FINANCE INC.**  
FINANCIAL ADVISORY SERVICES

## Ten-Year History of 20-Year "AAA" Tax-Exempt Yields

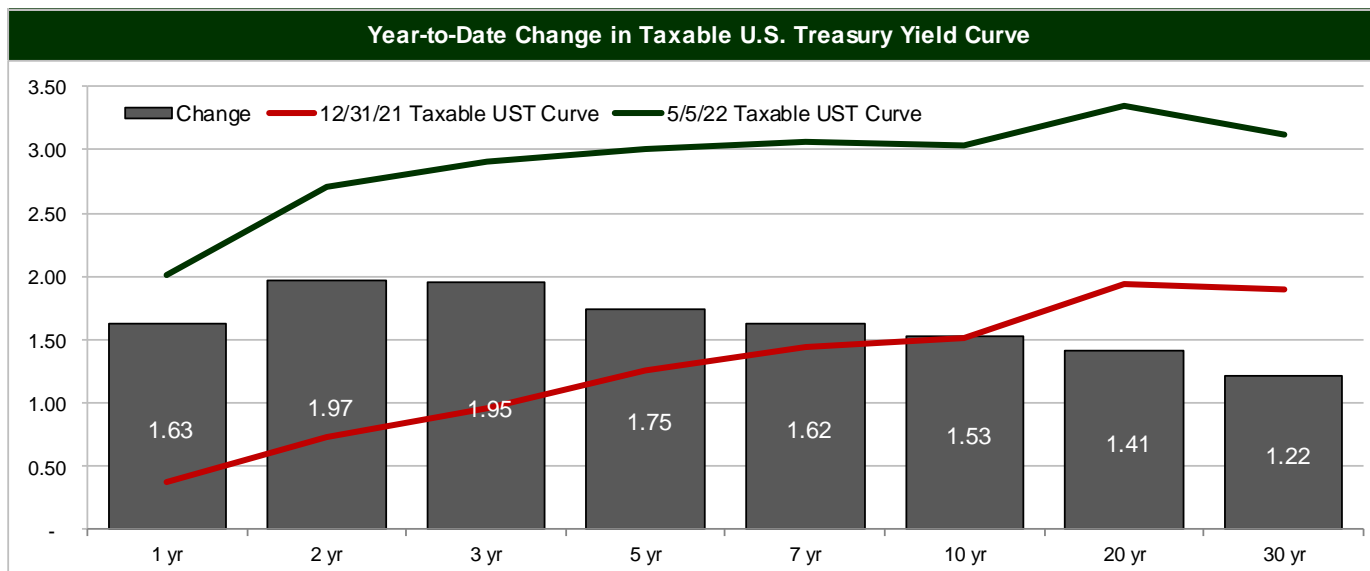


## Year-to-Date Changes in Tax-Exempt and Taxable Yields



### Tax-Exempt "AAA" Rates (%)

Maturity	12/31/21	5/5/22	Change
2 yr	0.240	2.250	2.01
5 yr	0.590	2.510	1.92
10 yr	1.030	2.810	1.78
20 yr	1.300	3.010	1.71
30 yr	1.490	3.140	1.65



### Taxable UST Rates (%)

Maturity	12/31/21	5/5/22	Change
1 yr	0.376	2.006	1.63
2 yr	0.732	2.703	1.97
3 yr	0.957	2.909	1.95
5 yr	1.263	3.008	1.75
7 yr	1.436	3.060	1.62
10 yr	1.510	3.037	1.53
20 yr	1.933	3.345	1.41
30 yr	1.903	3.119	1.22

Source: Bloomberg LP and Refinitiv TM3.

## Preliminary Summary of Results

### Capital Planning Model Summary

Fiscal Year	2022	2023	2024	2025	2026	2027
Projected AV	\$5.56 billion	\$6.09 billion	\$6.46 billion	\$7.12 billion	\$7.51 billion	\$7.91 billion
<i>Estimated AV Growth</i>	-	9.57%	6.10%	10.12%	5.51%	5.33%
Issuance Proceeds	\$6,215,500	\$11,935,000	\$27,791,000	\$16,785,000	\$35,340,000	\$10,036,000
Financing Term	20 years	20 years	20 years	20 years	20 years	20 years
Est. True Interest Cost (TIC)	4.24%	4.50%	4.75%	4.75%	4.75%	5.00%
Projected I&S Tax Rate	\$0.1954	\$0.2012	\$0.2069	\$0.2127	\$0.2184	\$0.2184
<i>Change</i>	-	\$0.0057	\$0.0058	\$0.0057	\$0.0058	\$0.0000

Fiscal Year	2028	2029	2030	2031	2032	Total
Projected AV	\$8.32 billion	\$8.74 billion	\$9.16 billion	\$9.59 billion	\$10.03 billion	
<i>Estimated AV Growth</i>	5.16%	5.01%	4.86%	4.73%	4.61%	
Issuance Proceeds	\$13,250,000	\$16,737,000	\$13,534,000	\$4,323,000	\$4,200,000	<b>\$160,146,500</b>
Financing Term	20 years	20 years	20 years	20 years	20 years	
Est. True Interest Cost (TIC)	5.00%	5.00%	5.00%	5.00%	5.00%	
Projected I&S Tax Rate	\$0.2184	\$0.2184	\$0.2184	\$0.2184	\$0.2184	
<i>Change</i>	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	<b>\$0.0230</b>

**City of San Marcos, Texas**  
**Preliminary Capital Improvement Plan Producing \$160,146,500 in Bond Proceeds (2022-2032)**

For Purposes of Illustration Only

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	
FYE 9/30	Adjusted Assessed Valuation	Est. Growth	Existing Tax-Supp. D/S (Includes PTF Debt)	\$160,146,500 in Projected New Issuance Proceeds (2022-2032)												Projected Total D/S	Less: Available PTF Revenues	Projected Total Net D/S	Projected I&S Tax Rate
				\$6,215,500 Series 2022 8/3 4.24%	\$11,935,000 Series 2023 8/15 4.50%	\$27,791,000 Series 2024 8/15 4.75%	\$16,785,000 Series 2025 8/15 4.75%	\$35,340,000 Series 2026 8/15 4.75%	\$10,036,000 Series 2027 8/15 5.00%	\$13,250,000 Series 2028 8/15 5.00%	\$16,737,000 Series 2029 8/15 5.00%	\$13,534,000 Series 2030 8/15 5.00%	\$4,323,000 Series 2031 8/15 5.00%	\$4,200,000 Series 2032 8/15 5.00%					
2022	\$ 5,560,071,243		\$ 15,246,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,246,500	\$ (2,689,950)	\$ 12,556,550	\$ 0.1954	
2023	6,091,942,623	9.57%	15,355,352	291,871	-	-	-	-	-	-	-	-	-	-	15,647,224	(3,638,360)	12,008,864	0.2012	
2024	6,463,781,475	6.10%	15,345,249	302,456	537,075	-	-	-	-	-	-	-	-	-	16,184,780	(3,078,687)	13,106,093	0.2069	
2025	7,118,057,105	10.12%	15,494,395	501,456	537,075	1,320,263	-	-	-	-	-	-	-	-	17,853,189	(3,019,371)	14,833,817	0.2127	
2026	7,510,418,247	5.51%	15,277,237	505,456	752,075	1,320,263	797,288	-	-	-	-	-	-	-	18,652,318	(2,577,620)	16,074,698	0.2184	
2027	7,910,626,612	5.33%	14,563,561	503,706	1,002,400	1,790,263	797,288	1,678,650	-	-	-	-	-	-	20,335,867	(3,404,595)	16,931,272	0.2184	
2028	8,318,839,144	5.16%	13,709,137	501,456	1,001,025	2,377,938	1,072,288	1,678,650	502,000	-	-	-	-	-	20,842,493	(3,037,515)	17,804,978	0.2184	
2029	8,735,215,927	5.01%	12,960,612	503,706	998,750	2,376,638	1,439,225	2,963,650	502,000	662,500	-	-	-	-	22,407,081	(3,710,923)	18,696,157	0.2184	
2030	9,159,920,246	4.86%	12,072,459	505,206	1,000,575	2,377,963	1,438,113	2,962,613	552,000	662,500	837,000	-	-	-	22,408,428	(2,803,267)	19,605,161	0.2184	
2031	9,593,118,651	4.73%	10,708,667	500,956	1,001,275	2,381,675	1,435,575	2,963,725	884,500	1,017,500	837,000	676,750	-	-	22,407,624	(1,875,280)	20,532,344	0.2184	
2032	10,034,981,024	4.61%	8,449,525	501,206	1,000,850	2,377,538	1,436,613	2,966,750	885,250	1,144,750	1,432,000	1,121,750	346,250	-	21,662,481	(184,410)	21,478,071	0.2184	
2033	10,485,680,644	4.49%	8,450,054	500,706	999,300	2,380,788	1,435,988	2,966,450	885,000	1,144,750	1,432,250	1,119,500	344,750	335,000	21,994,535	-	21,994,535	0.2140	
2034	10,945,394,257	4.38%	8,201,064	504,456	1,001,625	2,380,950	1,438,700	2,962,825	883,750	1,143,500	1,431,000	1,121,250	348,000	338,750	21,755,870	-	21,755,870	0.2028	
2035	11,414,302,142	4.28%	7,768,087	502,206	1,002,600	2,378,025	1,434,513	2,965,875	886,500	1,146,000	1,433,250	1,121,750	345,750	337,000	21,321,556	-	21,321,556	0.1906	
2036	11,892,588,185	4.19%	7,457,283	502,806	1,002,225	2,377,013	1,438,663	2,965,125	888,000	1,142,000	1,433,750	1,121,000	348,250	335,000	21,011,114	-	21,011,114	0.1803	
2037	12,380,439,949	4.10%	6,771,366	502,338	1,000,500	2,377,675	1,435,675	2,965,575	888,250	1,141,750	1,432,500	1,119,000	345,250	337,750	20,317,629	-	20,317,629	0.1675	
2038	12,878,048,748	4.02%	6,263,883	501,250	1,002,425	2,379,775	1,435,788	2,966,988	887,250	1,145,000	1,429,500	1,120,750	347,000	335,000	19,814,608	-	19,814,608	0.1570	
2039	13,385,609,723	3.94%	3,563,031	504,038	1,002,775	2,378,075	1,438,763	2,964,125	885,000	1,141,500	1,429,750	1,121,000	348,250	337,000	17,113,306	-	17,113,306	0.1305	
2040	13,903,321,917	3.87%	2,888,681	500,975	1,001,550	2,377,575	1,439,363	2,961,988	886,500	1,141,500	1,433,000	1,119,750	349,000	338,500	16,438,381	-	16,438,381	0.1206	
2041	14,431,388,355	3.80%	2,071,250	501,725	998,750	2,378,038	1,437,588	2,965,338	886,500	1,144,750	1,434,000	1,122,000	349,250	339,500	15,628,688	-	15,628,688	0.1105	
2042	14,970,016,122	3.73%	-	501,600	999,375	2,379,225	1,438,438	2,963,700	885,000	1,146,000	1,432,750	1,117,500	349,000	335,000	13,547,588	-	13,547,588	0.0923	
2043	15,519,416,445	3.67%	-	-	1,003,200	2,380,900	1,436,675	2,962,075	887,000	1,145,250	1,429,250	1,121,500	348,250	335,250	13,049,350	-	13,049,350	0.0858	
2044	16,079,804,774	3.61%	-	-	-	2,377,825	1,437,300	2,965,225	887,250	1,142,500	1,433,500	1,118,500	347,000	340,000	12,049,100	-	12,049,100	0.0765	
2045	16,651,400,869	3.55%	-	-	-	-	1,435,075	2,962,675	885,750	1,142,750	1,430,000	1,118,750	345,250	339,000	9,659,250	-	9,659,250	0.0592	
2046	17,234,428,887	3.50%	-	-	-	-	-	2,964,425	887,500	1,145,750	1,434,000	1,117,000	348,000	337,500	8,234,175	-	8,234,175	0.0488	
2047	17,829,117,464	3.45%	-	-	-	-	-	-	887,250	1,141,250	1,430,000	1,118,250	345,000	335,500	5,257,250	-	5,257,250	0.0301	
2048	18,435,699,814	3.40%	-	-	-	-	-	-	-	1,144,500	1,433,250	1,117,250	346,500	338,000	4,379,500	-	4,379,500	0.0242	
2049	19,054,413,810	3.36%	-	-	-	-	-	-	-	-	1,433,250	1,119,000	347,250	339,750	3,239,250	-	3,239,250	0.0173	
2050	19,685,502,086	3.31%	-	-	-	-	-	-	-	-	-	1,118,250	347,250	335,750	1,801,250	-	1,801,250	0.0093	
2051	20,329,212,128	3.27%	-	-	-	-	-	-	-	-	-	-	346,500	336,250	682,750	-	682,750	0.0034	
2052	20,985,796,370	3.23%	-	-	-	-	-	-	-	-	-	-	-	336,000	336,000	-	336,000	0.0016	
Totals			\$ 202,617,392	\$ 9,639,578	\$ 18,845,425	\$ 44,868,400	\$ 27,098,913	\$ 56,716,425	\$ 16,622,250	\$ 21,786,000	\$ 27,451,000	\$ 21,950,500	\$ 6,941,750	\$ 6,741,500	\$ 461,279,132	\$ (30,019,979)	\$ 431,259,154		

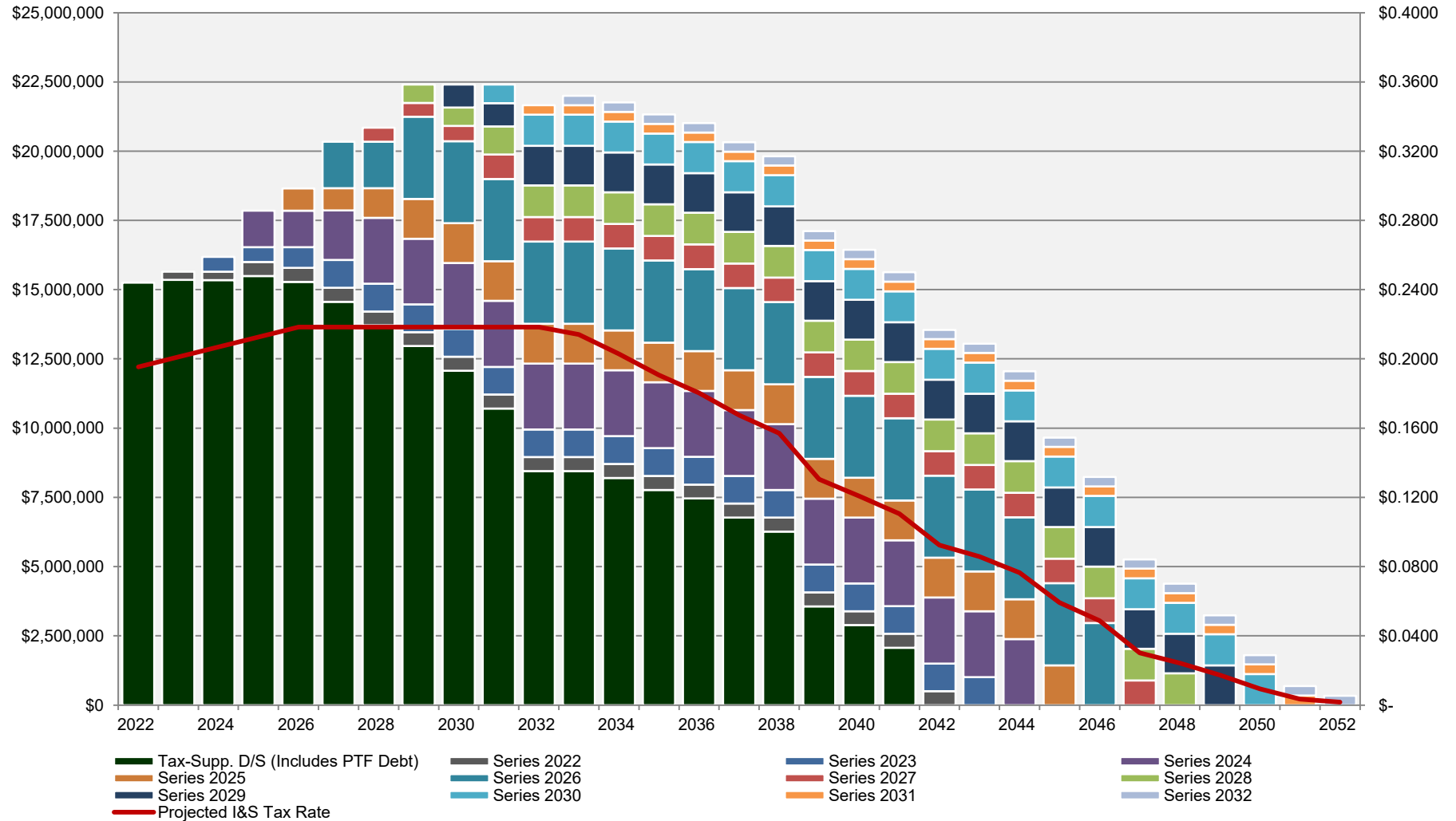
**Assumptions:**

- (1) Preliminary FY 2023 Adjusted Assessed Valuation (AV) provided by the City as of May 2, 2022. This preliminary value was plugged into the City's AV projection worksheet provided on November 18, 2021. Projected AV growth, if any, shown for purposes of illustration only.
- (2) Existing Tax-Supported Debt Service excludes debt considered self-supporting and includes Pass-Through Toll Revenue debt and the Series 2021 Certificates of Obligation previously supported by TIRZ revenues. See the City's most recent Fiscal Year 2022 Debt Book for details.
- (3) All financing assumptions are as of May 6, 2021 for purposes of illustration only. Preliminary, subject to change.
- (4) The issuance amounts shown represent required proceeds provided by the City as of May 3, 2022. Preliminary, subject to change.
- (5) Preliminary analysis excludes frozen tax revenues attributable to the I&S portion of the tax rate.
- (6) Est. tax collection rate: **98.00%**

**City of San Marcos, Texas**

For Purposes of Illustration Only

**Preliminary Capital Improvement Plan Producing \$160,146,500 in Bond Proceeds (2022-2032)**



Note: See Projected Tax Rate Model for detailed analysis and assumptions.

**City of San Marcos, Texas**  
**Projected Pass-Through Toll Reimbursements**

For Purposes of Illustration Only

Total PTF Reimbursements \$ 60,600,000  
 Received Through FY 2020 (32,291,321)  
**Remaining Balance For FY 2021+ \$ 28,308,679**

Project Length (in miles) 3.23  
 Reimbursement Rate Per VMT \$ 0.15  
 Maximum Annual Reimbursement \$ 6,060,000  
 Minimum Annual Reimbursement 3,030,000

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
FYE 9/30	Beginning PTF Revenue Fund Balance	Used for PTF D/S and/or Tax Rate Mgmt	Balance Prior to Projected Revenue	Projected Annual PTF Reimbursements					Ending PTF Fund Balance
				ADT	Est. Growth	Annual Traffic	Vehicle Miles Traveled	Projected Annual PTF Revenue	
2021	\$ 4,567,186	\$ (2,810,400)	\$ 1,756,786	18,796		6,860,540	22,159,544	\$ 3,323,932	\$ 5,080,718
2022	5,080,718	(2,689,950)	2,390,767	19,172	2.00%	6,997,751	22,602,735	3,390,410	5,781,178
2023	5,781,178	(3,638,360)	2,142,818	19,555	2.00%	7,137,706	23,054,790	3,458,218	5,601,036
2024	5,601,036	(3,078,687)	2,522,349	19,946	2.00%	7,280,460	23,515,886	3,527,383	6,049,732
2025	6,049,732	(3,019,371)	3,030,360	20,345	2.00%	7,426,069	23,986,203	3,597,930	6,628,291
2026	6,628,291	(2,577,620)	4,050,671	20,752	2.00%	7,574,591	24,465,927	3,669,889	7,720,560
2027	7,720,560	(3,404,595)	4,315,966	21,167	2.00%	7,726,082	24,955,246	3,743,287	8,059,253
2028	8,059,253	(3,037,515)	5,021,737	21,591	2.00%	7,880,604	25,454,351	3,597,630	8,619,367
2029	8,619,367	(3,710,923)	4,908,444	22,023	2.00%	8,038,216	25,963,438	-	4,908,444
2030	4,908,444	(2,803,267)	2,105,177	22,463	2.00%	8,198,980	26,482,707	-	2,105,177
2031	2,105,177	(1,875,280)	229,897	22,912	2.00%	8,362,960	27,012,361	-	229,897
2032	229,897	(184,410)	45,487	23,370	2.00%	8,530,219	27,552,608	-	45,487
2033	45,487	-	45,487	23,838	2.00%	8,700,824	28,103,660	-	45,487
2034	45,487	-	45,487	24,315	2.00%	8,874,840	28,665,733	-	45,487
2035	45,487	-	45,487	24,801	2.00%	9,052,337	29,239,048	-	45,487
2036	45,487	-	45,487	25,297	2.00%	9,233,384	29,823,829	-	45,487
2037	45,487	-	45,487	25,803	2.00%	9,418,051	30,420,306	-	45,487
2038	45,487	-	45,487	26,319	2.00%	9,606,412	31,028,712	-	45,487
2039	45,487	-	45,487	26,845	2.00%	9,798,541	31,649,286	-	45,487
2040	45,487	-	45,487	27,382	2.00%	9,994,511	32,282,272	-	45,487
2041	45,487	-	45,487	27,930	2.00%	10,194,402	32,927,917	-	45,487
2042	45,487	-	45,487	28,488	2.00%	10,398,290	33,586,475	-	45,487
2043	45,487	-	45,487	29,058	2.00%	10,606,255	34,258,205	-	45,487
2044	45,487	-	45,487	29,639	2.00%	10,818,380	34,943,369	-	45,487
2045	45,487	-	45,487	30,232	2.00%	11,034,748	35,642,236	-	45,487
2046	45,487	-	45,487	30,837	2.00%	11,255,443	36,355,081	-	45,487
2047	45,487	-	45,487	31,454	2.00%	11,480,552	37,082,183	-	45,487
2048	45,487	-	45,487	32,083	2.00%	11,710,163	37,823,826	-	45,487
2049	45,487	-	45,487	32,724	2.00%	11,944,366	38,580,303	-	45,487
2050	45,487	-	45,487	33,379	2.00%	12,183,254	39,351,909	-	45,487
2051	45,487	-	45,487	34,046	2.00%	12,426,919	40,138,947	-	45,487
2052	45,487	-	45,487	34,727	2.00%	12,675,457	40,941,726	-	45,487
<b>Totals</b>		\$ (32,830,379)						\$ 28,308,679	

**Assumptions**

- (1) Total PTF reimbursements, maximum and minimum annual reimbursements, project length and rate per VMT taken from executed Pass-Through Toll Agreement provided by the City.
- (2) Remaining balance of PTF reimbursements as of FYE 2020 (\$28,308,679) provided by the City as of January 19, 2022.
- (3) Beginning PTF Revenue Fund Balance as of FYE 2020 (\$4,567,186) provided by the City in January 2022.
- (4) Preliminary model assumes the City uses PTF revenues equal to PTF debt service in FYs 2021-2022. Projected ADT growth shown for purposes of illustration only.
- (5) For purposes of illustration, the ADT used for FY 2021 represents the approximate amount required to produce the amount of PTF reimbursements provided by the City in FY 2020.
- (6) Preliminary analysis assumes only the beginning fund balance is available each year and does not rely on current year reimbursements (to avoid timing issues between reimbursements and debt service payments).