



Greg Lentz

Director
Public Finance

February 23, 2017

Via E-mail: rebecca.underhill@leaguecity.com

Ms. Rebecca Underhill
Assistant City Manager and Director of Finance
City of League City
300 West Walker
League City, Texas 77573

**Re: Bay Colony West Municipal Utility District (the “District”)
\$3,165,000 Unlimited Tax Refunding Bonds, Series 2017 (the “Bonds”)**

Dear Rebecca:

At a meeting on Wednesday, February 22, 2017, the District’s Board of Directors approved proceeding with issuing its second series of refunding bonds by private placement. Pursuant to the “Restated Utility Agreement between the District and the City of League City, Texas” (the “Utility Agreement”), particularly Section 5.02, the District is required to obtain City of League City approval prior to the sale of bonds. The terms and conditions of the Bonds and expenditure of funds are in compliance with the Utility Agreement.

The purpose of the Bonds is to advance refund and defease portions of the District’s Unlimited Tax Refunding Bonds, Series 2011. The Bonds are structured with the same maturity schedule as the bonds being refunded (NO EXTENSION OF DEBT). This financing, as prepared February 22, 2017, is projected to provide 8.78% in present value savings (\$244,651) and \$319,865 of gross savings. We have attached a copy of the refunding analysis, including the savings report for your review. The District levied a total 2016 tax rate of \$1.00 per \$100 of taxable assessed valuation (\$0.86 for debt service and \$0.14 for maintenance). The District’s 2016 Certified Taxable Assessed Valuation is \$152,884,620, as provided by the Galveston Central Appraisal District.

The attached analysis reflects a bond issue in the principal amount of \$3,165,000. **We are requesting that League City approval be for an amount “not to exceed \$3,600,000,” which allows for fluctuations resulting from changes in the market and interest rates.** The District would like to sell the Bonds as soon as possible and capture all possible savings. Please let us know if you need any additional information.

Thank you for your assistance with this financing.

Sincerely yours,



Greg Lentz
Director

Enclosure

cc: Mr. Dax Philbin, Paul A. Philbin & Assoc., P.C.
Ms. Julie Peak, FirstSouthwest, a Division of Hilltop Securities Inc.