



Greg Lentz

Director
Public Finance

November 28, 2017

Via E-mail: allena.portis@leaguecitytx.gov

Ms. Allena Portis
Interim Director of Finance
City of League City
300 W. Walker Street
League City, Texas 77573

**Re: Galveston County Municipal Utility District No. 46 (the “District”)
\$2,545,000 Unlimited Tax Bonds, Series 2017 and
\$1,485,000 Unlimited Tax Park Bonds, Series 2017A**

Dear Allena:

The District is proposing to sell its \$2,545,000 Unlimited Tax Bonds, Series 2017 and \$1,485,000 Unlimited Tax Park Bonds, Series 2017A (collectively referred to herein as the “Bonds”) constituting the tenth series of bonds for water, sewer and drainage facilities and second series of bonds for park and recreational facilities to be sold by the District. Pursuant to the attached “Utility Agreement By and Between the District and the City of League City, Texas” (the “Utility Agreement”), the District is required to obtain City of League City approval prior to the sale of the Bonds. The terms and conditions of the Bonds and expenditure of funds are in compliance with the Utility Agreement, in particular, the District is in compliance with Section 5.02 of the Utility Agreement which stipulates maximum debt ratios allowed (see detail below).

Attached is an Order issued by the Texas Commission on Environmental Quality approving the sale of the Bonds and showing the use of Bond proceeds and a no growth cash flow analysis related to the financing for your review. The District is levying a total 2017 tax rate of \$0.93 per \$100 of taxable assessed valuation (\$0.85 for debt service and \$0.08 maintenance and operations). The District’s 2017 Taxable Assessed Valuation as of January 1, 2017 and Estimated Taxable Assessed Valuation as of October 1, 2017, as provided by the Galveston Central Appraisal District is \$357,823,814 (\$340,910,459 of certified value and \$16,913,355 of uncertified value) and \$371,906,063, respectively. The District’s outstanding direct debt assuming issuance of the Bonds will be \$39,925,000. The ratios of outstanding direct debt to 2017 Taxable Assessed Valuation as of January 1, 2017 and Estimated Taxable Assessed Valuation as of October 1, 2017 are 11.16% and 10.74%, respectively. **There is no tax rebate associated with the District.**

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The District would like to sell the Bonds on or around December 13, 2017, and in connection therewith, the District would like to obtain League City approval as soon as possible. Please let us know if you need any additional information.

Thank you for your assistance with this financing.



Greg Lentz
Director

Enclosures

cc: Mr. Greer Pagan, Allen Boone Humphries Robinson LLP
Ms. Julie Peak, FirstSouthwest, a Division of Hilltop Securities Inc.