



**Capital
Markets**

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March 30, 2021

Via E-mail: Kristine.Polian@leaguecitytx.gov

Ms. Kristine Polian

City of League City

300 West Walker

League City, Texas 77573

Re: Galveston Co. MUD No. 43
Up to \$4,500,000 Unlimited Tax Bonds, Series 2021

Dear Ms. Polian:

On March 2, 2021, the Galveston Co. Municipal Utility District No. 21 (the "District") Board of Directors authorized the District's consultants to proceed with the preparation of the various documents related to the issuance of a proposed refunding bond issue. To accommodate potential market fluctuations, the Board is requesting approval of the sale of Unlimited Tax Refunding Bonds, Series 2021 (the "Bonds") in an amount not to exceed \$4,500,000.

The District will meet on April 6, 2021 to approve the Preliminary Official Statement for the District's Unlimited Tax Refunding Bonds, Series 2021. The bonds are the third installment of refunding bonds issued by the District.

Under the terms of Utility Agreement between the District and the City dated April 8, 2003, which was amended on February 13, 2007, July 12, 2011 and May 13, 2014, bonds may be sold by the District only with the approval of the City Council. The terms and conditions of the Bonds and expenditure of funds are in compliance with the Utility Agreement. Therefore, the District respectfully requests Council consideration and approval at the earliest possible Council Meeting.

Proceeds from the sale of the Bonds, together with certain other legally available funds, will be used to establish an escrow fund to refund an estimated principal amount of \$3,945,000 of the District's outstanding Unlimited Tax Bonds, Series 2011 and 2013, and to pay the costs of issuance of the Bonds.

The proposed bonds are structured with the same maturity schedule as the bonds being refunded (through 2036), so there will be no extension of the debt. The financing, as projected on March 15, 2021, will provide 12.96% net present value savings (\$511,183) and \$588,522 of gross savings, after all issuance costs. The District's 2020 Certified Taxable Assessed Valuation as provided by the Galveston Central Appraisal District is \$425,445,387 and the 2020 tax rate is \$0.65 per \$100 assessed valuation. The estimate of value as of January

1, 2021, as provided by the Galveston Central Appraisal District, was \$452,801,180. Direct debt, as a percentage of the 2021 estimate of value, is 6.63%; direct and overlapping debt is 12.35%.

Thank you very much for your consideration of our request. If you have any questions, please do not hesitate to call me at 713-853-0884.

The following information has been included for review:

- 1 Data Sheet
- 2 Proposed Resolution
- 3 Letter from RBC Capital Markets, LLC
- 4 Letter of attestation from Board President
- 5 Refunding Analysis/ Preliminary Numbers (includes debt service schedule)
- 6 Preliminary Official Statement cover page
- 7 Schedule of Activities
- 8 Utility Agreement and Amendments
- 9 Map

Sincerely,



Ms. Leslie Cook