

VOTER INFORMATION DOCUMENT¹
CITY OF DEER PARK, TEXAS – PROPOSITION D

Ballot Language – City of Deer Park, Texas Proposition D (“Proposition D”)		
<input type="checkbox"/>	FOR) THE ISSUANCE OF \$22,300,000 GENERAL OBLIGATION BONDS FOR THE PURPOSE OF PROVIDING FUNDS FOR THE DESIGN, CONSTRUCTION, ACQUISITION, AND EQUIPMENT OF A NEW JIMMY BURKE ACTIVITY CENTER, WHICH WILL INCLUDE A VISITOR CENTER AND MUSEUM, AND THE LEVYING OF A TAX SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS.
<input type="checkbox"/>	AGAINST	

Information Regarding the Debt Obligations (Bonds) Proposed Under Proposition D		
Principal Amount of the Debt Obligations Proposed Under Proposition D	Estimated Interest on the Debt Obligations Proposed Under Proposition D ²	Estimated Combined Principal and Interest Required to Pay the Debt Obligations Proposed Under Proposition D on Time and in Full
\$22,300,000	\$14,750,318	\$37,050,318

Information Regarding the Outstanding Debt Obligations (Bonds) of the City as of February 2, 2021 ³		
Principal Amount of the Outstanding Debt Obligations of the City ⁴	Estimated Remaining Interest on the Outstanding Debt Obligations of the City ⁴	Estimated Combined Principal and Interest Required to Pay the Outstanding Debt Obligations of the City on Time and in Full ⁴
\$74,295,000	\$17,509,709	\$91,804,709

Information Regarding the Estimated Maximum Annual Increase in the Amount of Ad Valorem Taxes on a Residence Homestead with an Appraised Value of \$100,000 to Pay the Debt Obligations (Bonds) Proposed Under Proposition D
If the bonds authorized by Proposition D are approved, based on the assumptions set forth under “Assumptions Utilized in Calculating the Estimated Tax Impact” below, the City estimates that the maximum annual increase in the amount of ad valorem taxes on a residence homestead with an appraised value of \$100,000 to pay the bonds proposed under Proposition D would be approximately \$0.00.

Assumptions Utilized in Calculating the Estimated Tax Impact

If approved by the voters, the City intends to issue the bonds authorized by Proposition D over a period of years in a manner and in accordance with a schedule to be determined by the City Council based upon a number of factors, including, but not limited to, the then current needs of the City, demographic changes, prevailing market conditions, then current market interest rates, the use of capitalized interest, availability of other revenue sources to pay debt service, assessed valuations of property in the City, tax collection percentages, and management of the City’s short-term and long-term interest rate exposure. The estimated tax impact is derived, in part, from projections obtained from the City’s financial advisor. Actual results may vary from the assumptions used in calculating the estimated tax impact. For the purposes of estimating the maximum annual increase in taxes identified in this table, the City utilized the following major assumptions:

¹ This Voter Information Document is provided in accordance with Section 1251.052 of the Texas Government Code. It is provided solely in satisfaction of the statutory requirements. The information contained in this Voter Information Document is based on certain assumptions, and actual results may vary from such assumptions. The Voter Information Document is not intended to, and does not, create a contract with the voters.

² The City has assumed the bonds will bear interest at an estimated rate of 4.25% for bonds issued in 2022 and 4.50% for bonds issued in 2023 based on current market conditions and the amortization schedule described in the Assumptions Utilized in Calculating the Estimated Tax Impact. The interest payable on the bonds may differ based on market rates at the time the bonds are issued.

³ The information contained in this table reflects the City’s outstanding debt obligations as of February 2, 2021, the date the City Council approved an ordinance calling the election.

⁴ The City treats approximately \$44,619,065 of its outstanding debt as self-supporting from sources other than ad valorem taxes. Such sources include water and sewer revenues and payments from the City of Deer Park Community Development Corporation. After taking into account such self-supporting debt, the total principal amount of outstanding debt obligations payable from ad valorem taxes is \$29,675,935. The estimated interest on the outstanding debt obligations payable from ad valorem taxes is \$6,029,286. The estimated combined principal and interest on the outstanding debt obligations payable from ad valorem taxes is \$35,705,221.

(1) The City has assumed the issuance of two series of bonds over a three-year period, with approximately \$2,380,000 issued in 2022, and \$19,920,000 issued in 2023. For the purposes of these projections, it has been assumed that each series of bonds issued under Proposition D would be amortized over 20 years as shown in the following schedule. The following is an estimated pro forma amortization schedule based on these assumptions. It shows the City's currently outstanding bonds and bonds authorized under Proposition D:

Fiscal Year Ending (9/30)	Current Debt Service Requirements (a)	Proposition D - Estimated Debt Service Requirements				Less: Self-Supported Debt Service Requirements (d)	Total Estimated Debt Service Requirements
		Plus: Series 2022 Bonds*		Plus: Series 2023 Bonds*			
		Principal*	Interest (b)	Principal*	Interest (c)		
2021	\$8,696,070					\$4,345,480	\$4,350,590
2022	8,480,267					4,409,919	4,070,348
2023	8,473,978	31,152	100,488			4,407,298	4,198,320
2024	8,487,067	32,709	99,131	130,146	893,472	4,859,642	4,782,882
2025	7,358,346	34,267	97,708	126,318	887,701	3,922,893	4,581,448
2026	6,512,704	35,825	96,218	149,285	881,500	3,922,382	3,753,150
2027	5,760,554	37,382	94,663	153,113	874,696	3,172,081	3,748,327
2028	4,790,899	91,119	91,932	164,596	867,548	3,173,980	2,832,114
2029	4,783,968	95,792	87,960	172,252	859,969	3,172,119	2,827,821
2030	4,786,509	99,686	83,806	179,908	852,045	3,168,982	2,832,972
2031	4,297,203	123,829	79,057	482,306	837,145	3,171,002	2,648,537
2032	4,301,760	129,280	73,678	505,273	814,925	3,172,545	2,652,371
2033	3,771,419	134,732	68,068	585,657	790,379	2,776,739	2,573,515
2034	3,093,530	140,962	62,209	731,115	760,751	2,266,598	2,521,970
2035	2,564,373	146,414	56,103	941,645	723,114	1,923,279	2,508,369
2036	2,011,660	153,423	49,731	1,121,553	676,692	1,508,745	2,504,314
2037	1,493,090	159,653	43,078	1,289,977	622,433	1,119,818	2,488,414
2038	1,165,565	166,662	36,144	1,427,779	561,284	874,174	2,483,260
2039	635,725	173,671	28,912	1,569,408	493,847	476,794	2,424,769
2040	340,025	181,459	21,365	1,722,521	419,778	255,019	2,430,131
2041	-	189,247	13,488	1,799,078	340,542	-	2,342,355
2042	-	222,736	4,733	3,245,995	227,028	-	3,700,492
2043	-	-	-	3,422,075	76,997	-	3,499,072
Total	\$91,804,709	\$2,380,000	\$1,288,471	\$19,920,000	\$13,461,847	\$56,099,488	\$72,755,539

* Preliminary, subject to change.

(a) Includes debt service paid by the Waterworks and Sewer System or the City of Deer Park Community Development Corporation.

(b) Interest estimated at 4.25%, for illustrative purposes only.

(c) Interest estimated at 4.50%, for illustrative purposes only.

(d) Represents self-supporting debt payable from water and sewer system revenues and payments from the City of Deer Park Community Development Corporation.

(2) The City has assumed the bonds would bear interest at an estimated rate of 4.25% for bonds issued in 2022 and 4.50% for bonds issued in 2023.

(3) The City has assumed that the taxable assessed value within the City will grow at an average rate of 2.38% for the next eight years and then be held constant for the remaining life of the bonds. The City has assumed a tax collection percentage of 99%.

(4) In calculating the tax impact on a residence homestead, the City applied the 20% local optional homestead exemption to the assessed valuation, resulting in a taxable assessed valuation of \$80,000 on a residence homestead with an appraised value of \$100,000. The City did not apply any other exemptions in connection with this calculation. A homeowner may qualify for exemptions not considered in calculating the tax impact, such as exemptions for the elderly and disabled.

(5) Based on the amortization schedule for the City's currently outstanding debt obligations and forecasted amounts of property tax revenue to be collected each year, the City estimates that the bonds to be authorized under Proposition D may be paid without an increase to the City's current tax rate.

(6) The estimated tax impact presented in this voter information document addresses the impact of the bonds proposed under Proposition D. For information regarding the estimated tax impact of the bonds proposed under other propositions, please refer to the voter information documents for such propositions.