

**NOTICE OF INTENTION TO ISSUE CITY OF DRIPPING SPRINGS, TEXAS
COMBINATION TAX AND LIMITED REVENUE CERTIFICATES OF OBLIGATION**

NOTICE IS HEREBY GIVEN that it is the intention of the City Council of the City of Dripping Springs, Texas, to issue interest bearing Certificates of Obligation of the City (the "Certificates") for the purpose of paying contractual obligations incurred or to be incurred by the City for: (1) designing, constructing, improving, extending, expanding, upgrading and/or developing City streets, roads, intersections and traffic signalization, including related signage, landscaping, purchasing property, including necessary rights-of-way, drainage easements, and other related transportation costs, including, but not limited to, for Old Fitzhugh Road; (2) constructing a public parking structure in the City's downtown area; (3) constructing a city public works facility to support the City's utility system and city streets, including a building for maintenance staff and a holding yard for related materials and equipment; (4) constructing, improving, renovating, upgrading, expanding, and/or equipping the Stephenson Building to be used as part of the City's park system, including ADA and restroom improvements, with such facility to include meeting spaces that will be generally accessible to the public; (5) acquiring, constructing, improving, expanding, and equipping park and recreational facilities; (6) purchasing materials, supplies, equipment, machinery, buildings, land, and rights-of-way for authorized needs and purposes in relation to the aforementioned capital improvements, including acquiring land for park and recreational purposes; and (7) professional services including fiscal, engineering, architectural and legal fees and other such costs incurred in connection therewith including the costs of issuing the Certificates.

The City Council tentatively proposes to consider for first and final reading at a meeting to commence at 6:00 p.m., on the 1st day of April 2025 in the Board Room located at 300 Sportsplex Drive Dripping Springs, Texas 78620, the passage of an ordinance authorizing the Certificates. The maximum amount of the Certificates that may be authorized for such purpose is \$14,500,000. The City Council presently proposes to provide for the payment of the Certificates from the levy and collection of ad valorem taxes in the City as provided by law and from a limited pledge of the surplus revenues derived from the operation of the City's wastewater system, after payment of all operation and maintenance expenses and all debt service, reserve and other requirements in connection with all of the City's revenue bonds or other obligations (now or hereafter outstanding) which are payable from all or any part of the revenues of the City's wastewater system, which amount shall not exceed \$5,000.

The following information is required pursuant to Texas Local Government Code, Section 271.049: As of February 4, 2025, the aggregate principal amount of all outstanding debt obligations of the City secured by and payable from ad valorem taxes is \$42,125,000. As of February 4, 2025, the combined principal and interest required to pay all outstanding debt obligations of the City secured by and payable from ad valorem taxes on time and in full is \$46,699,183. The estimated combined principal and interest required to pay the Certificates on time and in full is \$20,091,812.50. The estimated interest rate for the Certificates is 4.22%. Such estimates take into account a number of factors, including the issuance schedule, maturity schedule and the expected ratings of the proposed Certificates. Such estimated interest rate is provided as a matter of information but is not a limitation on the interest rate at which the Certificates may be sold. The maximum maturity date of the Certificates is June 1, 2044.

At its regular meeting on April 1, 2025, the City adopted a Resolution Delaying Action on an Ordinance Authorizing the Issuance of the City of Dripping Springs, Texas Combination Tax and Limited Revenue Certificates of Obligation in an Amount Not to Exceed \$14,500,000 and Other Matters Related Thereto until a regular meeting of the City Council to commence at 6:00 p.m. on April 15, 2025, at its regular meeting place in the Board Room located at 300 Sportsplex Drive, Dripping Springs, Texas.

CITY OF DRIPPING SPRINGS, TEXAS