

James F. Gilley

From: James F. Gilley
Sent: Thursday, April 23, 2020 2:08 PM
To: Amber Lewis
Cc: Abel Campos
Subject: RE: Real Property purchase
Attachments: Presentation - Tax Notes Series 2020 tax rate only draft 1 (4-23-20).pdf

Amber,

Attached as requested is a tax rate analysis for an issuance of Tax Notes to fund a \$2 million property purchase. This assumes a sale date and Council adoption of the Tax Note Ordinance on May 20th and delivery of funds on or about June 20th, although we may be able to accelerate that timeline depending on the City's needs. This further assumes a direct placement in which we would stipulate that the Notes have an anytime call feature so that the City would have the flexibility to refund or restructure the Notes at a later date in the event that a larger GO bond issuance was pursued.

I've included two scenarios for your consideration. The first scenario shows a level debt service structure with relatively equal annual payments, and would require an increase in the I&S rate of approximately \$0.0300 for FY 2021. The second scenario is a 'structured principal' scenario with front loaded principal, which I thought might be helpful as the City contemplates its future capital needs. For example if the City thought it might pursue a bond election with GO bonds issued sometime in 2021 or 2022, the proposed Tax Notes could be used as somewhat of a 'tax rate management' tool. We could structure larger principal payments on the Tax Notes for the first few years in order to gradually step up the tax rate to near the amount that would be expected to support a larger GO bond issuance. On the other hand the Tax Notes could have minimal principal payments in the first few years to reduce the effect on the tax rate now with the goal of deferring a larger tax rate increase until the bond election is presented to the voters. Both of these scenarios assume that, if GO bonds were issued at a later date, the Tax Notes could be refunded and restructured in conjunction with the GO bonds in order to achieve a level overall tax rate.

Please let me know if you have any questions or would like to see any revisions or additions. I'd be happy to distribute this to the group if you think that would be appropriate.

Thank you,

James Gilley, Jr.
U.S. Capital Advisors LLC
Direct 512.813.1110
Cell 713.516.8804

From: Amber Lewis [mailto:alewis@rollingwoodtx.gov]
Sent: Wednesday, April 22, 2020 7:32 PM
To: James F. Gilley <jfgilley@uscallc.com>
Subject: Re: Real Property purchase

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Sounds great!

Many thanks,
Amber
Amber A. Lewis
City Administrator
City of Rollingwood
Cell: 512-647-0637
Office: 512-327-1838 x 105
www.rollingwoodtx.gov

From: James F. Gilley <jfgilley@uscallc.com>
Sent: Wednesday, April 22, 2020 6:04:42 PM
To: Amber Lewis <alewis@rollingwoodtx.gov>
Subject: RE: Real Property purchase

And I never answered your request – I will certainly prepare a \$2 million scenario and try to send that out tomorrow in advance of Friday’s call. Since an issuance of Certificates of Obligation may not meet the 45-60 day timeline you mentioned, I will assume an issuance of Tax Notes unless you instruct otherwise.

James Gilley, Jr.
U.S. Capital Advisors LLC
Direct 512.813.1110
Cell 713.516.8804

From: Amber Lewis [<mailto:alewis@rollingwoodtx.gov>]
Sent: Wednesday, April 22, 2020 5:54 PM
To: James F. Gilley <jfgilley@uscallc.com>; Kyle Jr, Jerry <jkyle@orrick.com>; Michael Dyson <mdyson@rollingwoodtx.gov>; Charles Zech <cezech@rampagelaw.com>; Kristina Vega - DNRBZ <kvega@rampagelaw.com> <kvega@rampagelaw.com>
Cc: Abel Campos <acampos@rollingwoodtx.gov>; Ashley Wayman <awayman@rollingwoodtx.gov>
Subject: Re: Real Property purchase

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Thanks, James!

Many thanks,
Amber
Amber A. Lewis
City Administrator
City of Rollingwood
Cell: 512-647-0637
Office: 512-327-1838 x 105
www.rollingwoodtx.gov

From: James F. Gilley <jfgilley@uscallc.com>
Sent: Wednesday, April 22, 2020 5:43:57 PM
To: Amber Lewis <alewis@rollingwoodtx.gov>; Kyle Jr, Jerry <jkyle@orrick.com>; Michael Dyson <mdyson@rollingwoodtx.gov>; Charles Zech <cezech@rampagelaw.com>; Kristina Vega - DNRBZ

(kvega@rampagelaw.com) <kvega@rampagelaw.com>

Cc: Abel Campos <acampos@rollingwoodtx.gov>; Ashley Wayman <awayman@rollingwoodtx.gov>

Subject: RE: Real Property purchase

9 am this Friday will work fine for me. I will distribute a conference call-in number for the group soon.

Thank you,

James Gilley, Jr.
U.S. Capital Advisors LLC
Direct 512.813.1110
Cell 713.516.8804

From: Amber Lewis [<mailto:alewis@rollingwoodtx.gov>]

Sent: Wednesday, April 22, 2020 5:29 PM

To: Kyle Jr, Jerry <jkyle@orrick.com>; James F. Gilley <jfgilley@uscallc.com>; Michael Dyson <mdyson@rollingwoodtx.gov>; Charles Zech <cezech@rampagelaw.com>; Kristina Vega - DNRBZ (kvega@rampagelaw.com) <kvega@rampagelaw.com>

Cc: Abel Campos <acampos@rollingwoodtx.gov>; Ashley Wayman <awayman@rollingwoodtx.gov>

Subject: Re: Real Property purchase

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Friday 9 am works for Team Rollingwood. I've included Mayor Dyson and City Attorney Charlie Zech and his paralegal so you can also send them the call information.

Many thanks,
Amber
Amber A. Lewis
City Administrator
City of Rollingwood
Cell: 512-647-0637
Office: 512-327-1838 x 105
www.rollingwoodtx.gov

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