



**GOVERNMENT CAPITAL**  
**CORPORATION**

## Financing Proposal

*Prepared For*



## **Sweeny Economic Development Corporation**

April 10, 2023

### **Government Capital Corporation**

345 Miron Drive  
Southlake, Texas 76092

### **Stephanie Cates**

Municipal Finance Specialist  
817-722-0214





**GOVERNMENT CAPITAL**  
**CORPORATION**

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# GOVERNMENT CAPITAL CORPORATION

## Corporate Overview

Government Capital Corporation (GCC) was founded in 1992 with the exclusive purpose of providing financing for state and local governmental entities including cities, schools, counties, special districts, and their component units. Since our inception, Government Capital Corporation has been engaged by over 537 Texas cities, representing 46% of all city governments statewide. Although we serve clients in all 50 states, one of our primary areas of focus is serving Texas economic development entities of all types. We have provided financing structures for a wide variety of projects including construction, land acquisition, infrastructure improvements, public works projects, and the refunding of existing obligations. Our team possesses extensive experience assisting Type A and Type B economic development corporations, community development corporations, and municipal development districts in creating, evaluating and implementing financing structures of every type authorized by Texas law. In many cases, we have helped our clients adapt to and comply with regulatory changes enabling them to execute financings more rapidly, efficiently, and economically.

## Representative Experience

### **Palestine Type B Economic Development Corporation**

Government Capital Corporation recently provided financing for the Palestine Type B EDC, the proceeds of which were used to upgrade their fiber broadband services to the businesses and residents citywide. This project, completed in the summer of 2021, will improve the overall quality of life for the entire community as well as promote continued business growth for the foreseeable future.

### **Little Elm Type A Economic Development Corporation**

Government Capital Corporation has assisted the Little Elm EDC with multiple projects since 2011. Most recently, GCC provided funding for the EDC's contribution to a public-private partnership which will result in a 36,000 square foot social entertainment facility for the city. The facility, "TinMan Social," will include ping pong, cornhole, axe throwing, shuffleboard, bowling, and a full-service restaurant and bar with indoor and outdoor seating.

### **Canyon Type B Economic Development Corporation**

Government Capital Corporation structured a financing for the Canyon Type B EDC, which resulted in the acquisition of four properties. One of the facilities was designed to serve as the Economic Development Corporation office and the other three properties were renovated to promote economic growth and expansion in the community. Considering the private activity associated with a portion of the project, the financing was structured with both a tax-exempt and taxable series in order to maximize the benefit for the EDC.

### **La Feria Industrial Development Corporation**

Government Capital Corporation worked with La Feria Type A & Type B Economic Development Corporations to create a loan structure joined together for the acquisition of a public works facility and for infrastructure improvements. With construction underway, the anticipated completion is targeted for spring 2022. This project will greatly enhance the future growth within the city and promote economic development.





# GOVERNMENT CAPITAL CORPORATION

## Partial Listing of EDC Clients



Wylie EDC



Bowie EDC



Fairfield EDC



Lavon EDC



Godley EDC



Mineral Wells EDC



Ferris EDC



Bay City CDC



Clarendon EDC



Baird CDC



Gun Barrel City EDC



Sweeny EDC



Sulphur Springs EDC



Troup CDC



Early EDC



San Saba EDC



Pilot Point MDD



Mathis EDC



Van EDC



Bonham EDC





**GOVERNMENT CAPITAL**  
**CORPORATION**

**Sweeny Economic Development Corporation**  
**Sweeny, Texas**

**Preliminary Term Sheet**  
April 10, 2023

**FINANCING STRUCTURE:** Tax Exempt Type B EDC Note—Adjustable

**PROJECT:** Infrastructure Improvements

**PLACEMENT:** Private Placement

**ESTIMATED SOURCES AND USES OF FUNDS:**

Source:

Note Proceeds	\$ 1,404,660.33
<b><u>Total Sources</u></b>	<b><u>\$ 1,404,660.33</u></b>

Uses:

Infrastructure Improvements	\$ 1,385,950.00
*Issuance Costs (0.0135)	\$ 18,710.33
<b><u>Total Uses</u></b>	<b><u>\$ 1,404,660.33</u></b>

\*The above issuance cost represents total issuance costs necessary for closing the transaction as contemplated. Issuance Cost Allocation includes Special Tax Counsel, Private Placement Cost and Filing Fees.

**PLACEMENT AGENT:** Government Capital Corporation, Southlake, Texas

**SPECIAL TAX COUNSEL:** Naaman, Howell, Smith & Lee, Austin, Texas

**MONTHLY TERM:** 20 Years                      25 Payments

**INTEREST RATE:** **5.20% w/5Adjust**              **5.20% w/5Adjust**

**MONTHLY PAYMENT AMOUNT:** \$ 9,426.03 (P&I)              \$ 8,376.01(P&I)

**PAYMENT FACTOR:** 0.0068011                      0.0060435

**ESTIMATED CLOSING DATE:** May 2023

**FIRST PAYMENT DATE:** June 2023

**ADDITIONAL NOTES:**

This transaction will be secured by a pledge of sales tax only. There will be no liens required on the real estate. Additionally, this will eliminate traditional real estate closing costs including title policy, appraisal, survey, environmental, etc.

The above proposal is subject to audit analysis, assumes bank qualification and mutually acceptable documentation. The terms outlined herein are based on current markets. Upon credit approval, rates may be locked for up to thirty (30) days. If funding does not occur within this time period, rates will be indexed to markets at such time.





**GOVERNMENT CAPITAL**  
**CORPORATION**

**Sweeny Economic Development Corporation**  
**Sweeny, Texas**

**Preliminary Term Sheet**

April 10, 2023

**FINANCING STRUCTURE:** Tax Exempt Type B EDC Note—Fixed

**PROJECT:** Infrastructure Improvements

**PLACEMENT:** Private Placement

**ESTIMATED SOURCES AND USES OF FUNDS:**

Source:

Note Proceeds	\$ 1,404,660.33
<b>Total Sources</b>	<b>\$ 1,404,660.33</b>

Uses:

Infrastructure Improvements	\$ 1,385,950.00
*Issuance Costs (0.0135)	\$ 18,710.33
<b>Total Uses</b>	<b>\$ 1,404,660.33</b>

\*The above issuance cost represents total issuance costs necessary for closing the transaction as contemplated. Issuance Cost Allocation includes Special Tax Counsel, Private Placement Cost and Filing Fees.

**PLACEMENT AGENT:** Government Capital Corporation, Southlake, Texas

**SPECIAL TAX COUNSEL:** Naaman, Howell, Smith & Lee, Austin, Texas

**ANNUAL TERM:** 20 Years                      25 Payments

**INTEREST RATE:** **5.42% Fixed**                      **5.63% Fixed**

**PAYMENT AMOUNT:** \$ 116,762.11 (P&I)                      \$ 106,048.83 (P&I)

**PAYMENT FACTOR:** 0.084247                      0.076517

**ESTIMATED CLOSING DATE:** May 2023

**FIRST PAYMENT DATE:** May 2024

**ADDITIONAL NOTES:**

This transaction will be secured by a pledge of sales tax only. There will be no liens required on the real estate. Additionally, this will eliminate traditional real estate closing costs including title policy, appraisal, survey, environmental, etc.

The above proposal is subject to audit analysis, assumes bank qualification and mutually acceptable documentation. The terms outlined herein are based on current markets. Upon credit approval, rates may be locked for up to thirty (30) days. If funding does not occur within this time period, rates will be indexed to markets at such time.



## Qualifications of Special Tax Counsel



### ANDREW D. CLARK

#### Experience

Mr. Clark, partner in the Naman, Howell, Smith & Lee law firm, concentrates his practice in the areas of public finance and economic development. Mr. Clark serves as bond counsel, special tax counsel and general counsel to economic development corporations, municipal development districts and public improvement districts. Mr. Clark's comprehensive knowledge of the law governing economic development corporations of any types and tax-exempt financings allows Mr. Clark to assist his EDC clients from project inception through the completion of financing. Mr. Clark has served on the city council of a home-rule city since 2018 and also served as a director of the city's economic development corporation.

#### EDUCATION AND BAR ADMISSIONS

- J.D., 2007, St. Mary's University School of Law, cum laude;
- B.B.A., 2002, Baylor University
- Admitted to Bar, Texas, 2007
- U.S. District Courts, Western, Northern, Eastern and Southern Districts of Texas
- United States Court of Appeals for the Fifth Circuit

#### PROFESSIONAL ASSOCIATIONS AND MEMBERSHIPS

- City of Bee Cave, Texas Planning and Zoning Commission 2015-2018
- City of Bee Cave, Texas City Council – Councilmember 2018-Present
- City of Bee Cave, Texas Economic Development Corporation – Director 2018-2020
- National Association of Bond Lawyers

#### REPRESENTATIVE TRANSACTIONS

- Wylie Economic Development Corporation Sales Tax Revenue Notes, Series 2022.
- Bonham Economic Development Corporation Sales Tax Revenue Notes, Series 2022.
- Fairfield Economic Development Corporation Sales Tax Revenue Notes, Series 2022.
- Dumas Economic Development Corporation Sales Tax Revenue Notes, Series 2022.

