



# City of Pearland, Texas

## Overview of Outstanding Debt Obligations and Certain Debt Metrics

As of September 10, 2024



# Overview of City's Bond Ratings

❑ **Credit Ratings:** The City of Pearland, Texas (the “City”) maintains independent ratings from certain nationally recognized credit rating agencies, such as Moody’s Investors Service, S&P Global Ratings and Fitch Ratings Inc. that evaluate the City’s financial strength and its ability to pay its existing bonds. The current credit ratings for the City are displayed below:

## CURRENT CREDIT RATINGS

	GO Debt	WSS Debt
Moody's	A2	A3
S&P	AA	-
Fitch	AA+	A

Moody's	S&P	Fitch	Credit Worthiness
Aaa	AAA	AAA	- Prime / Highest grade
Aa1	AA+	AA+	} High grade
Aa2	AA	AA	
Aa3	AA-	AA-	
A1	A+	A+	} Upper medium grade
A2	A	A	
A3	A-	A-	
Baa1	BBB+	BBB+	} Lower medium grade
Baa2	BBB	BBB	
Baa3	BBB-	BBB-	
Ba1	BB+	BB+	} Non-investment grade/Speculative
Ba2	BB	BB	
Ba3	BB-	BB-	
B1	B+	B+	} Highly speculative
B2	B	B	
B3	B-	B-	
Caa1	CCC+		} Substantial risks / Extremely speculative / Default imminent with little prospect for recovery
Caa2	CCC	CCC	
Caa3	CCC-		



# Overview of Historical Bond Elections

- The following summarizes the City’s General Obligation bond programs approved by voters since 2007:

<b>City’s Historical Bond Elections Approved By Voters</b>					
<b>Election Date</b>	<b>Estimated Population</b>	<b>Purpose</b>	<b>Election Amount</b>	<b>Issued</b>	<b>Dollar Amount Remaining To Be Issued</b>
May 12, 2007	84,500	Road	\$84,190,000	\$83,638,100	\$551,900
		Drainage	35,305,000	35,305,000	0
		Fire Improvements	2,895,000	2,895,000	0
		Parks & Recreation	19,990,000	19,990,000	0
		Aquatic	16,225,000	16,225,000	0
		Library	3,410,000	3,410,000	0
May 4, 2019	125,198	Drainage	\$28,498,000	\$28,398,000	\$100,000
		Streets/Roads	34,816,000	34,815,250	750
		Parks & Recreation	2,500,000	2,500,000	0
		Animal Care	12,875,000	10,058,240	2,816,760
		Fire Improvements	1,300,000	1,300,000	0
May 6, 2023	126,792	Drainage	\$105,500,000	\$5,289,000	\$100,211,000
		Street & Bridge	26,146,000	6,409,000	19,737,000
		Park & Recreation	33,705,000	0	33,705,000
		Fire Improvements	15,959,000	0	15,959,000
<b>Total Dollar Amount Of Authorized But Unissued Bonds - As of September 10, 2024:</b>					<b>\$173,081,410</b>



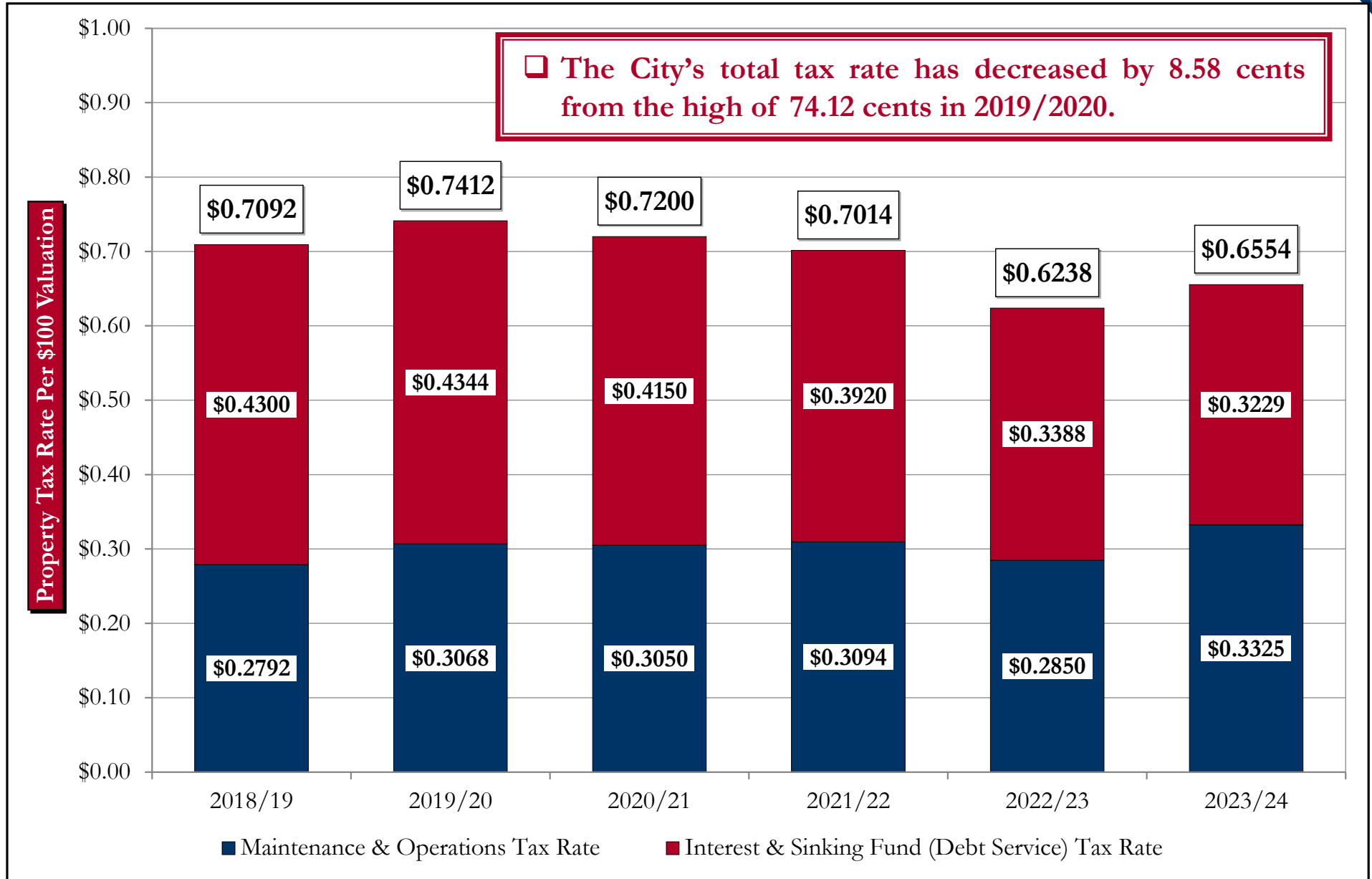
# Overview of City's Bond Refunding and Prepayment Programs to Lower Interest Costs

- Since 2007, the City has implemented 20 bond refunding programs and prepaid \$33.080 million of existing bonds to reduce interest costs – Which have generated more than **\$66.293 million** of savings for City taxpayers.

Summary of Interest Cost Savings – Bond Refunding Programs / Prepayment of Bonds				
Issue/Description	Series Refunded/Prepaid	Principal Amount Refunded	Total Savings	
<b><u>Tax Supported Debt</u></b>				
Permanent Improvement & Refunding Bonds, Series 2007	1993, 1996, 1998 Bds, 1998 C/O, 2001 Bds, 2001	\$ 40,230,000	\$ 2,100,000	
Permanent Improvement & Refunding Bonds, Series 2009	1998	12,160,000	525,943	
Permanent Improvement Refunding Bonds, Series 2010B	2001	1,645,000	179,939	
Permanent Improvement Refunding Bonds, Series 2012	2003 PIBs, 2003 C/O, 2003 WSS, 2004, 2005	49,895,000	5,340,804	
Permanent Improvement & Refunding Bonds, Series 2014	2005, 2006 PIB & Ref, 2006 C/O, 2007	31,430,000	3,514,254	
Permanent Improvement Refunding Bonds, Series 2015	2005, 2006 PIB & Ref, 2006 C/O, 2007 C/O, 2007	51,210,000	7,227,631	
Permanent Improvement Refunding Bonds, Series 2015-A	2006 PIB & Ref, 2006 C/O, 2007	10,095,000	1,433,466	
Permanent Improvement & Refunding Bonds, Series 2016A	2007, 2008 PIBs, 2008 C/O, 2011	17,810,000	2,665,626	
Permanent Improvement Refunding Bonds, Series 2016B	2007 PIBs	32,225,000	3,483,500	
Prepayment of Series 2007 Bonds	2007 PIBs	1,495,000	1,064,688	
Permanent Improvement & Refunding Bonds, Series 2017	2007, 2008 PIBs, 2009, 2009A, 2009 PIBs	37,535,000	5,198,530	
Permanent Improvement & Refunding Bonds, Series 2019	2007, 2010 PIBs	12,325,000	1,793,849	
Permanent Improvement Refunding Bonds, Series 2020	2011 PIBs, 2012 PIBs	35,475,000	4,163,928	
Permanent Improvement Refunding Bonds, Series 2022	2014, 2016	4,300,000	(528,964)	
Pre-Payment of Series 2019B Bonds	2019B	8,900,000	2,236,212	
Pre-Payment of Series 2019B & 2020B Bonds	2019B, 2020B	10,370,000	2,342,843	
<b><u>Water and Sewer System Revenue Debt</u></b>				
Water and Sewer System Revenue Refunding Bonds, Series 2010B	2001	\$ 8,430,000	\$ 362,001	
Water and Sewer System Revenue & Refunding Bonds, Series 2012	1999	2,840,000	387,678	
Prepayment of Series 2006 Bonds	2006	1,470,000	1,085,488	
Water and Sewer System Revenue & Refunding Bonds, Series 2017	2006, 2007, 2008, 2009	51,490,000	10,781,983	
Water and Sewer System Revenue & Refunding Bonds, Series 2019B	2007, 2010, 2010 Ref	27,250,000	4,076,528	
Water and Sewer System Revenue & Refunding Bonds, Series 2021B	2012	4,030,000	617,836	
<b><u>Tax Increment Financing Debt (Development Authority of Pearland)</u></b>				
Tax Increment Contract Revenue & Refunding Bonds, Series 2015	2012	\$ 45,830,000	\$ 1,821,227	
<b><u>Sales Tax Debt (Pearland Economic Development Corporation)</u></b>				
Sales Tax Revenue Refunding Bonds, Series 2016	2005, 2006	\$ 14,545,000	\$ 2,734,322	
Prepayment of Series 2016 Bonds	2016	10,845,000	1,684,010	
<b>Totals</b>	<b>---</b>	<b>\$ 579,497,617</b>	<b>\$ 66,293,322</b>	

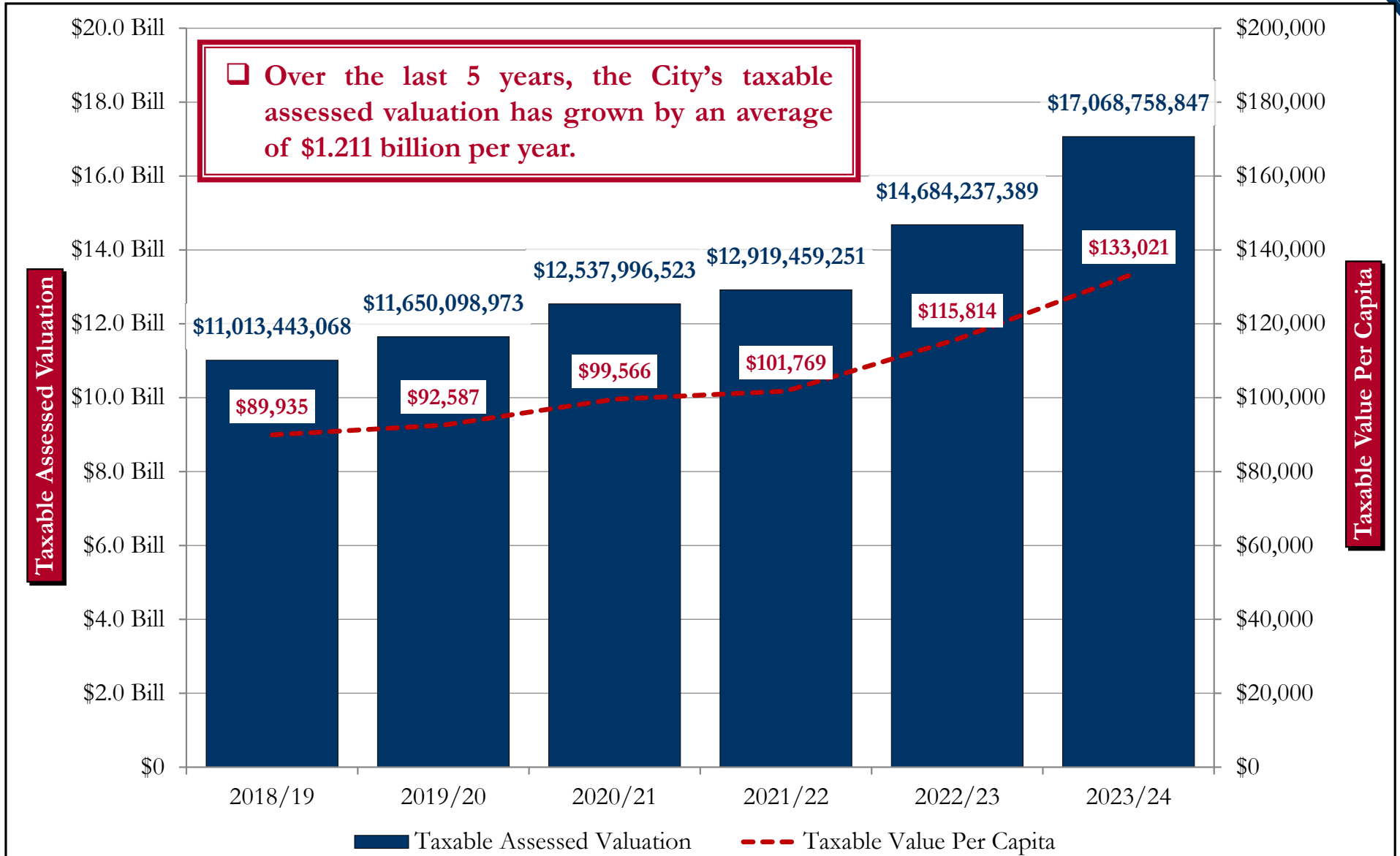


# Historical Tax Rates





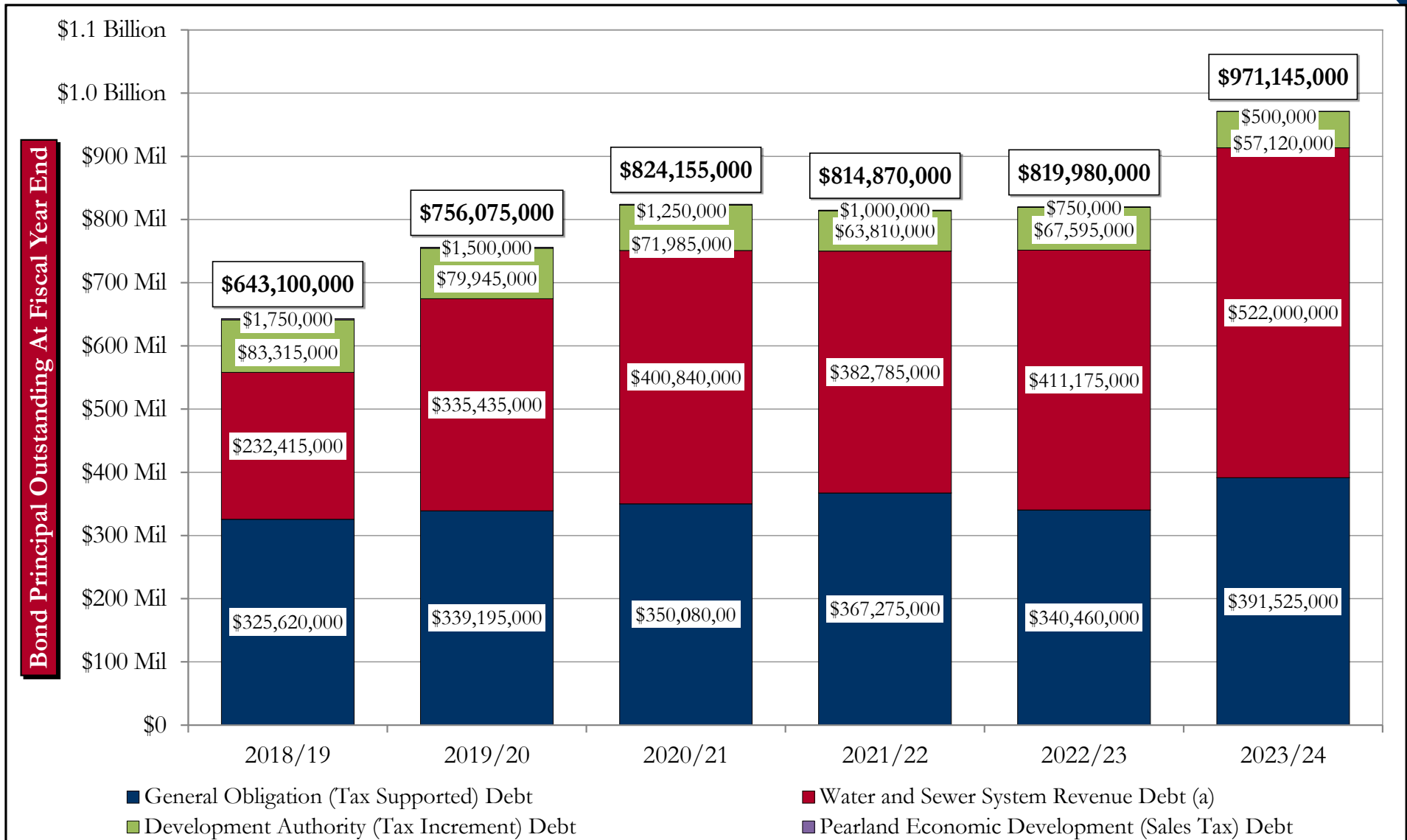
# Historical Taxable Assessed Valuation\*



\* Includes assessed value attributable to Reinvestment Zone Number Two, City of Pearland, Texas (the "TIRZ").



# Total Bond Principal Outstanding At Fiscal Year End



(a) Includes Certificates of Obligation issued for Water and Sewer System projects.

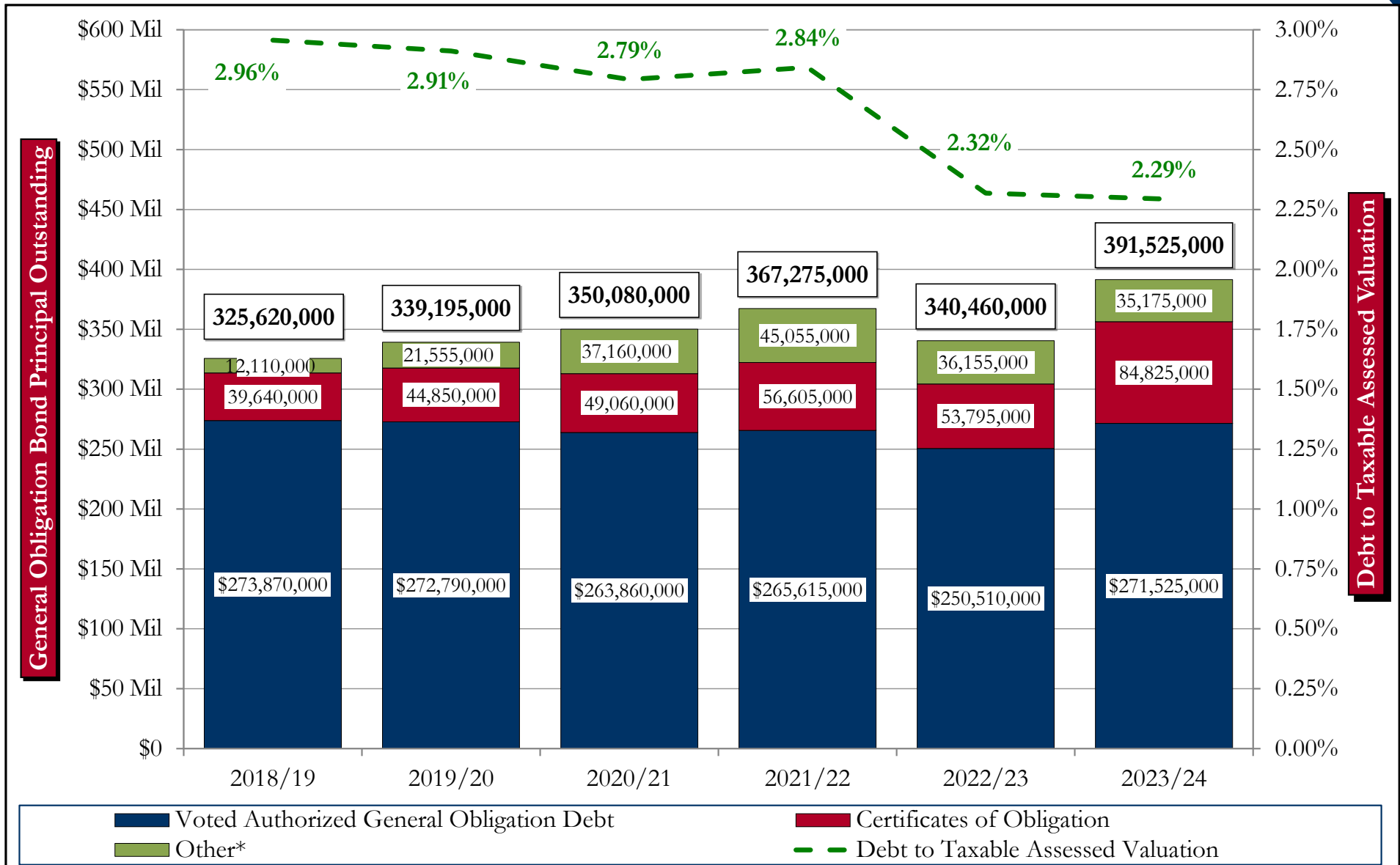


# General Obligation Debt Obligations





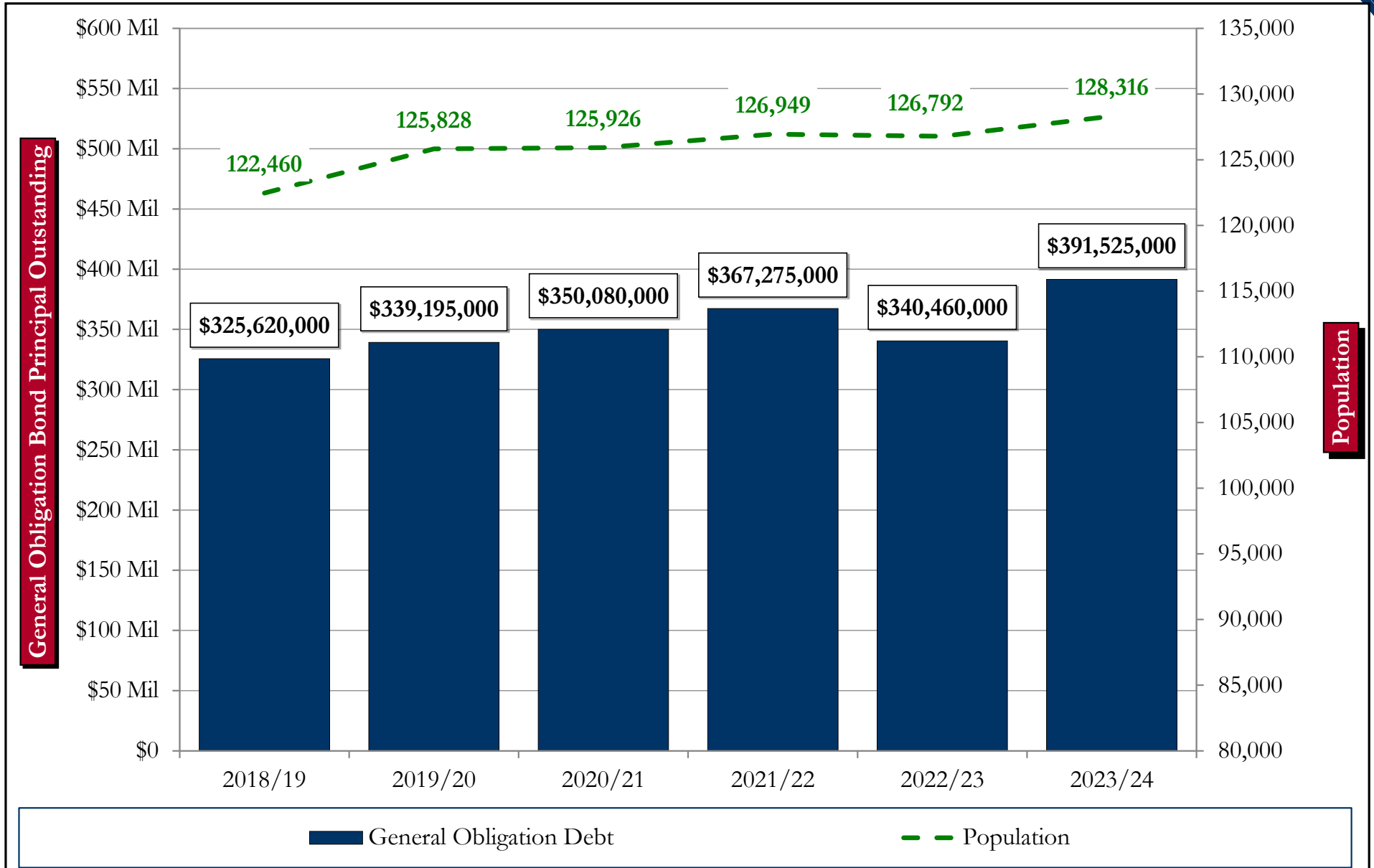
# General Obligation Debt to Taxable Assessed Valuation



\* Includes Certificates of Obligation issued for TIRZ related projects and annexed municipal utility district debt.

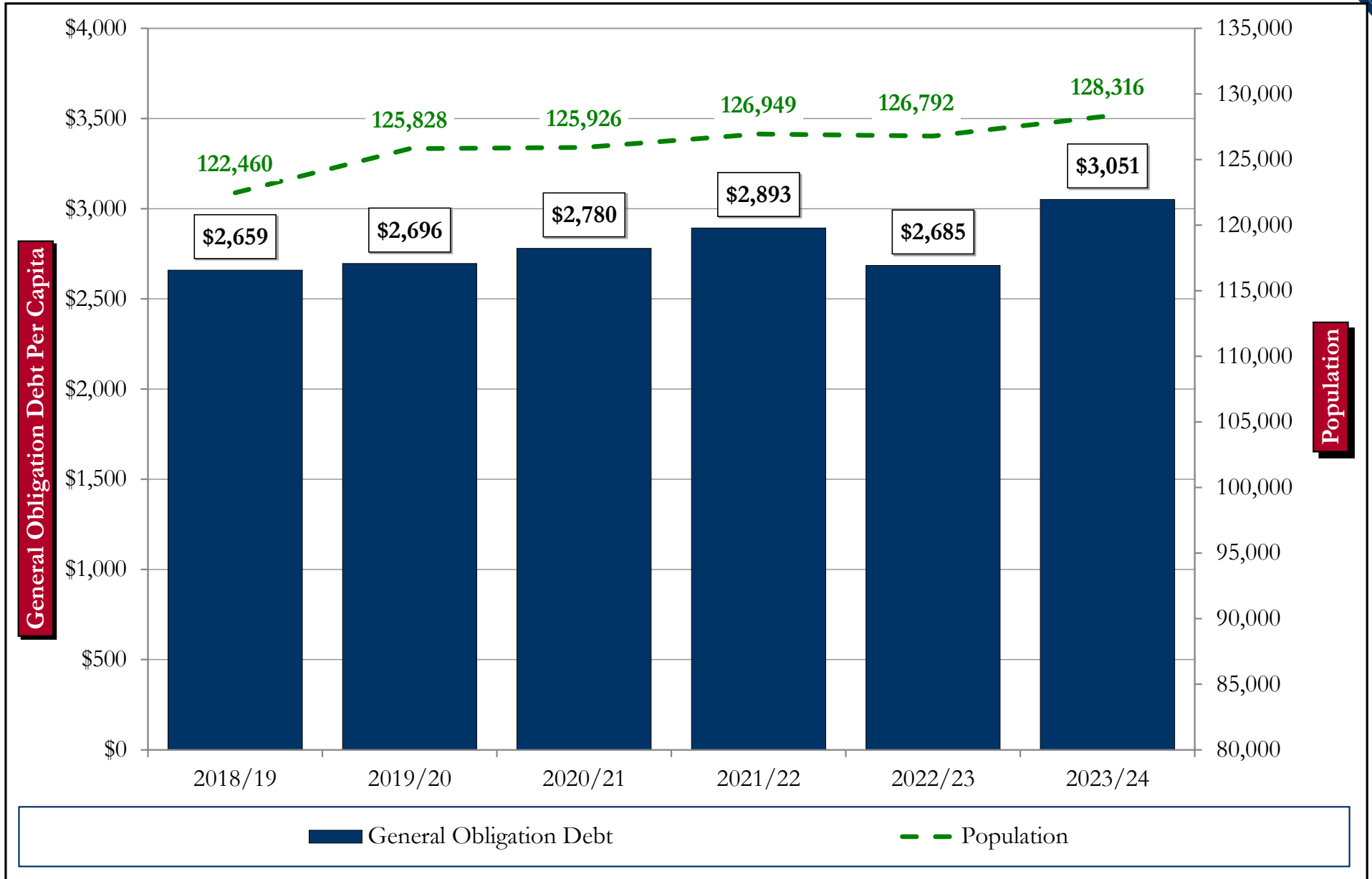


# General Obligation Bonds Outstanding





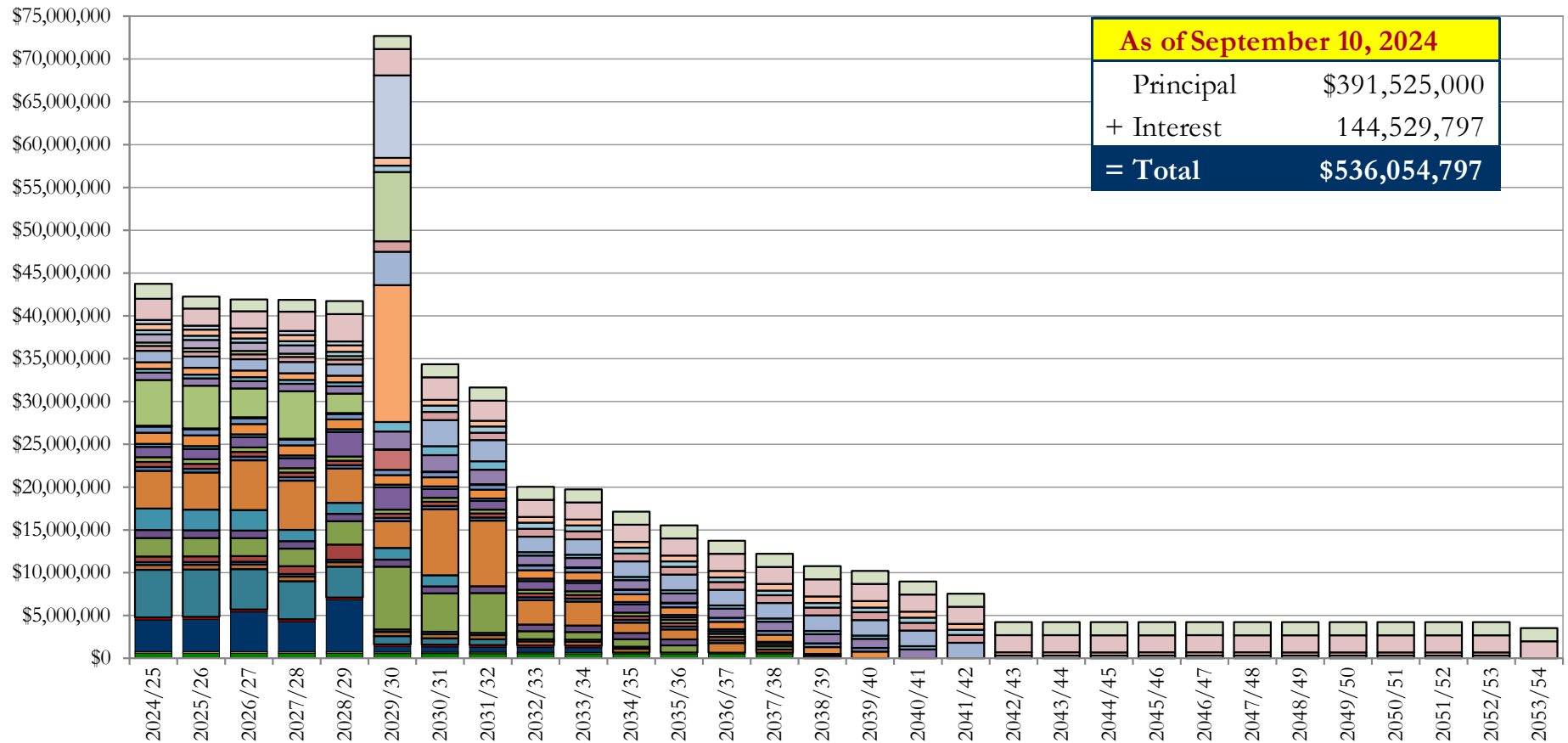
# General Obligation Debt Per Capita





# General Obligation Debt Service By Series

Annual Bond Payments

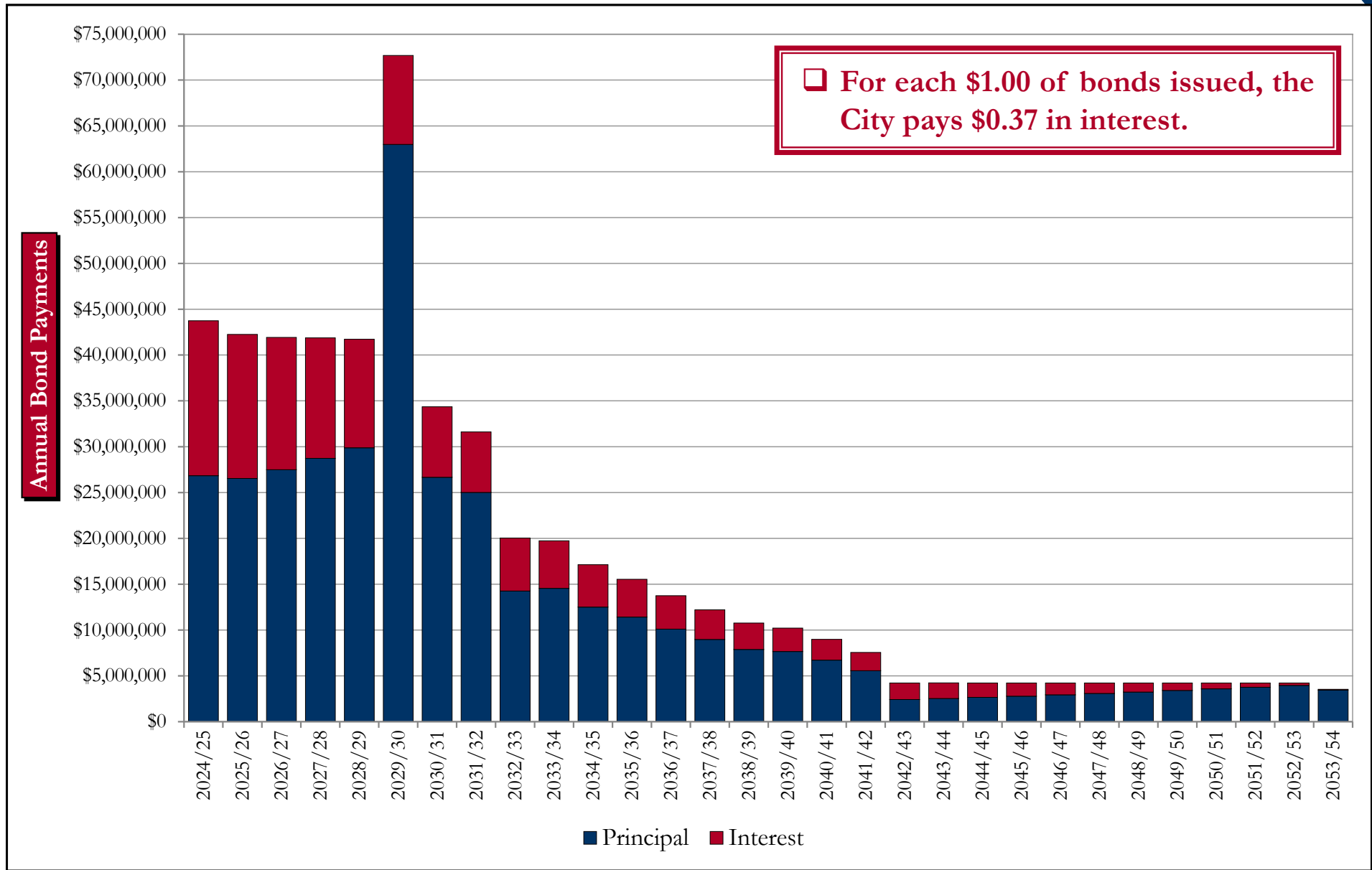


- Permanent Improvement Bonds, Series 2013
- Certificates of Obligation, Series 2014
- Certificates of Obligation, Series 2015
- Certificates of Obligation, Series 2016
- Certificates of Obligation, Series 2017
- Permanent Improvement & Refunding Bonds, Series 2019
- Certificates of Obligation, Series 2020A
- Permanent Improvement Bonds, Series 2021
- Permanent Improvement Bonds, Series 2022
- Permanent Improvement Refunding Bonds, Series 2022
- Certificates of Obligation, Series 2023B
- Certificates of Obligation, Series 2013
- Permanent Improvement Refunding Bonds, Series 2015
- Permanent Improvement Refunding Bonds, Series 2015A
- Permanent Improvement Bonds, Series 2016B
- Permanent Improvement Bonds, Series 2018
- Certificates of Obligation, Series 2019A
- Certificates of Obligation, Series 2020B
- Certificates of Obligation, Series 2021A
- Certificates of Obligation, Series 2022A
- Permanent Improvement Bonds, Series 2023
- Permanent Improvement Bonds, Series 2024
- Permanent Improvement & Refunding Bonds, Series 2014
- Permanent Improvement Bonds, Series 2015
- Permanent Improvement & Refunding Bonds, Series 2016A
- Permanent Improvement & Refunding Bonds, Series 2017
- Certificates of Obligation, Series 2018
- Permanent Improvement Bonds, Series 2020
- Permanent Improvement Refunding Bonds, Series 2020
- Certificates of Obligation, Series 2021B
- Certificates of Obligation, Series 2022B
- Certificates of Obligation, Series 2023A
- Certificates of Obligation, Series 2024A

Note: Debt service payments reflect payments from October 1 through September 30.



# General Obligation Debt Service By Principal and Interest



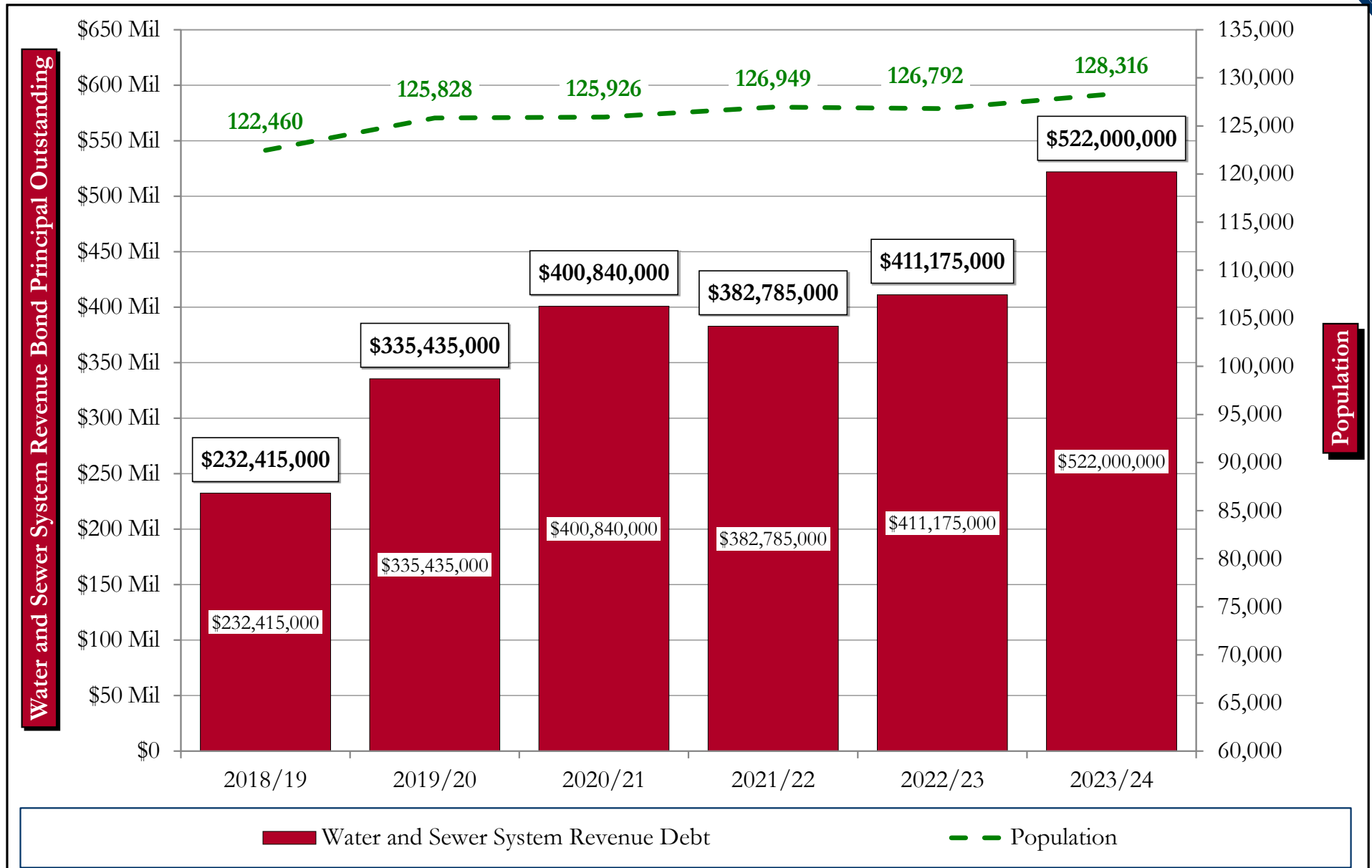
Note: Debt service payments reflect payments from October 1 through September 30.



# Water and Sewer System Debt Obligations



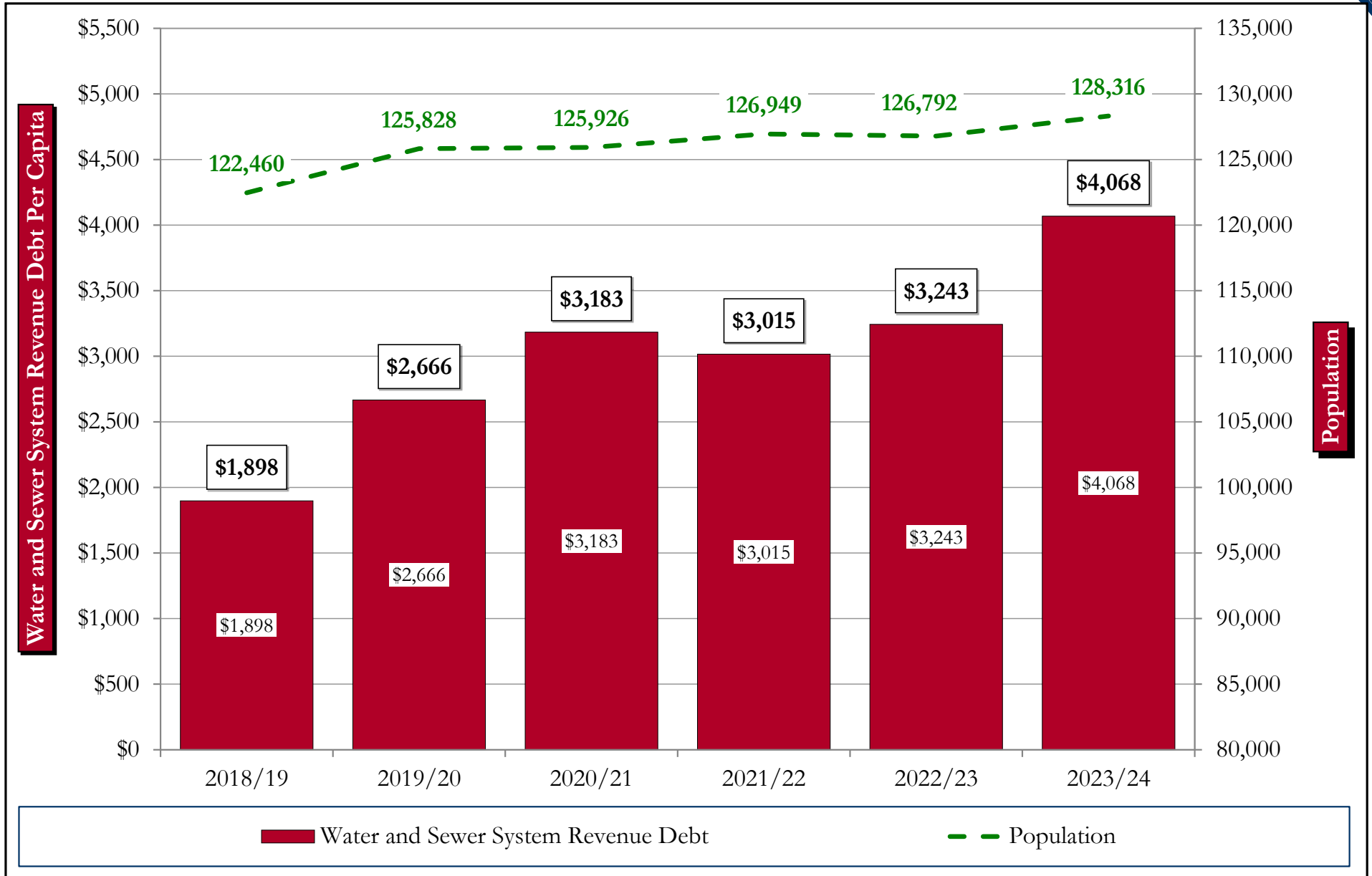
# Water and Sewer System Revenue Bonds Outstanding



Source: City's Audited Financial Statements and City records. As of September 10, 2024.



# Water and Sewer System Revenue Debt Per Capita

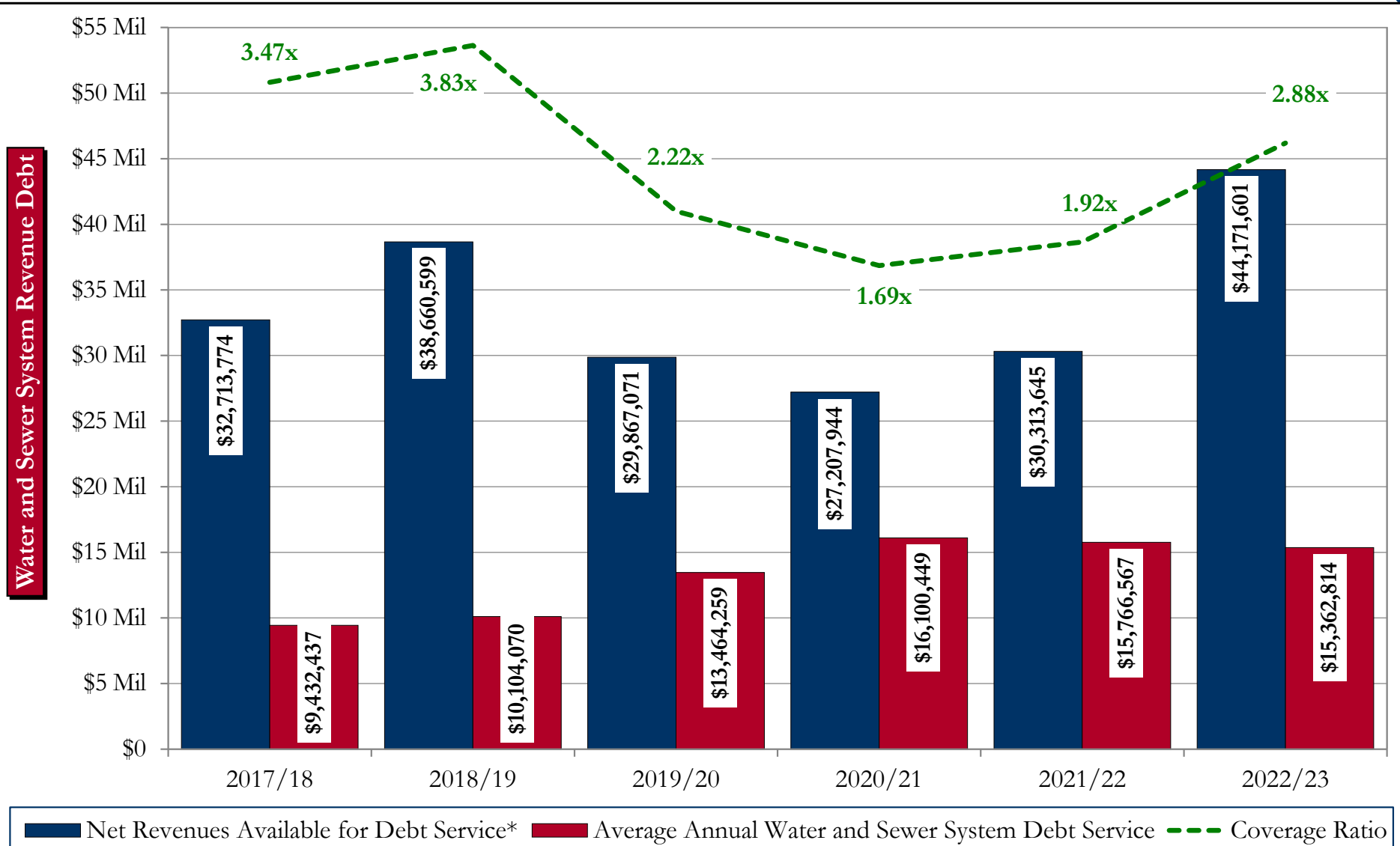


Source: City's Audited Financial Statements and City records. As of September 10, 2024.





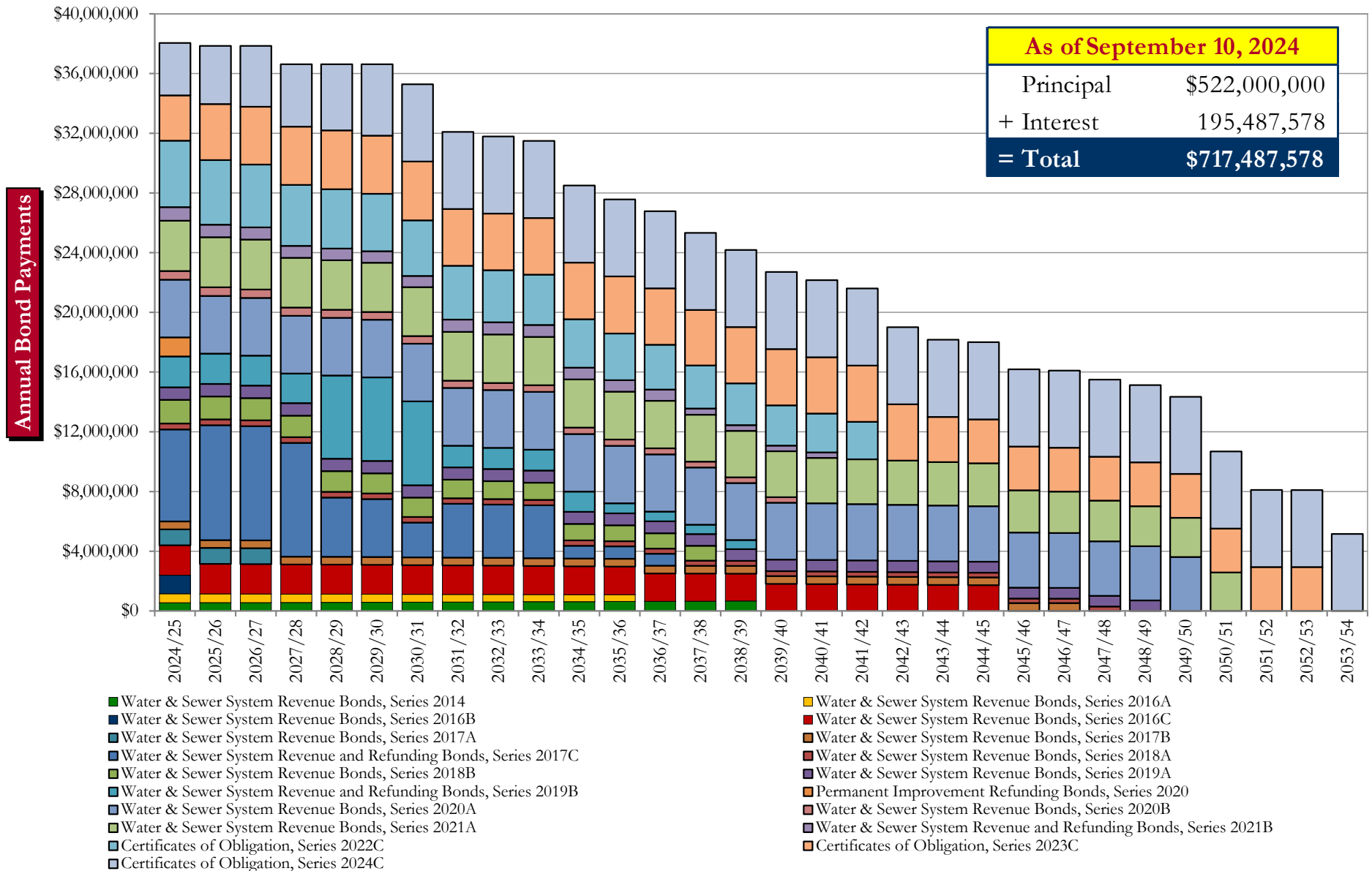
# Water and Sewer System Revenue Coverage Ratios



\* Net Revenues mean all Gross Revenues remaining after deducting the Maintenance and Operation Expenses. The City is required to maintain a coverage ratio of 1.15x annually and prove a coverage ratio of 1.40x when issuing new Water and Sewer System debt. Does NOT include CO debt issued for water and sewer system projects.



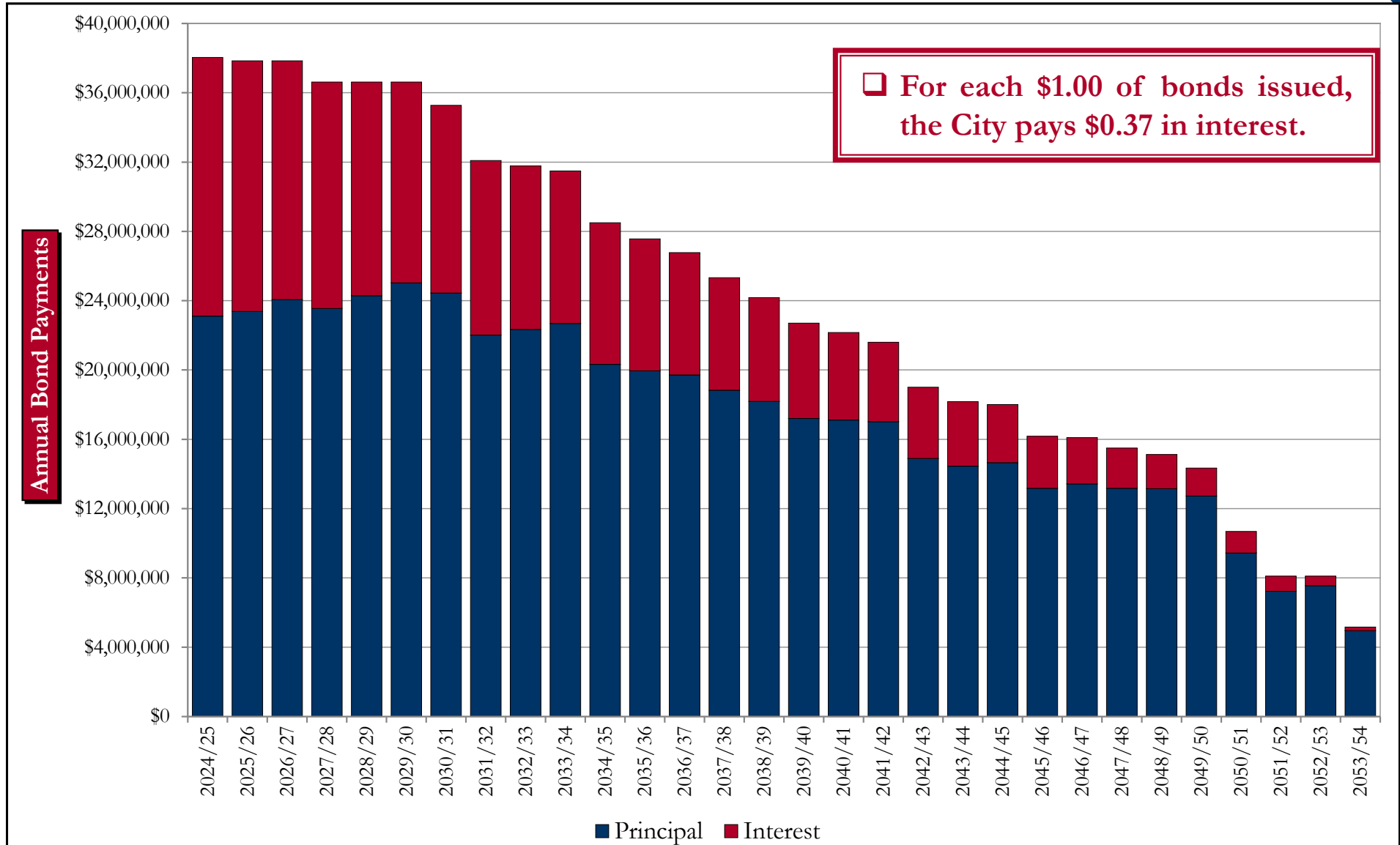
# Water and Sewer System Revenue Debt Service By Series



Note: Debt service payments reflect payments from October 1 through September 30.



# Water and Sewer System Revenue Debt Service By Principal and Interest



Note: Debt service payments reflect payments from October 1 through September 30.



# **Tax Increment Contract Revenue Debt Obligations**

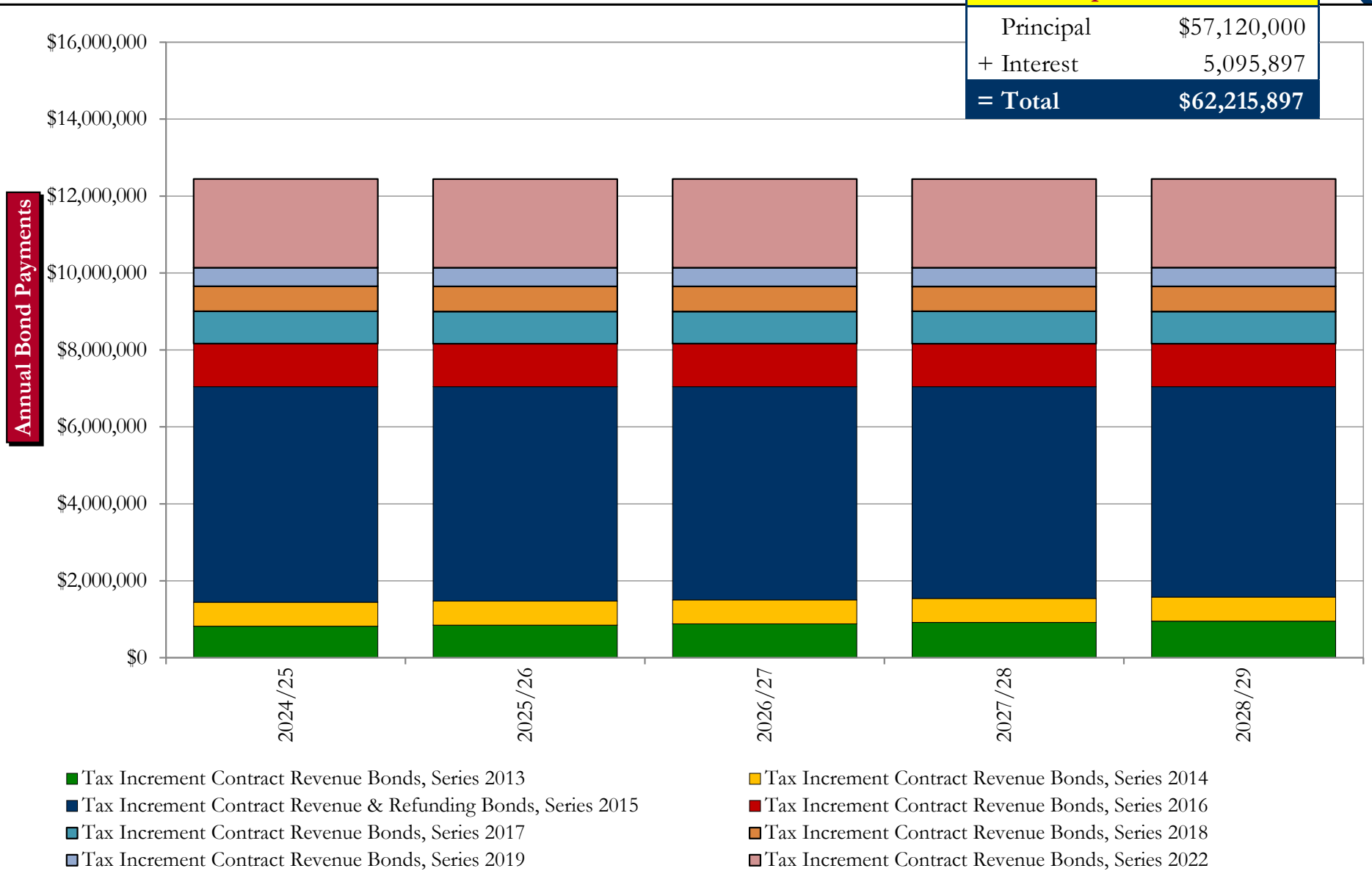
## **Development Authority of Pearland**



# Development Authority of Pearland (Tax Increment Financing) Debt Service By Series

**As of September 10, 2024**

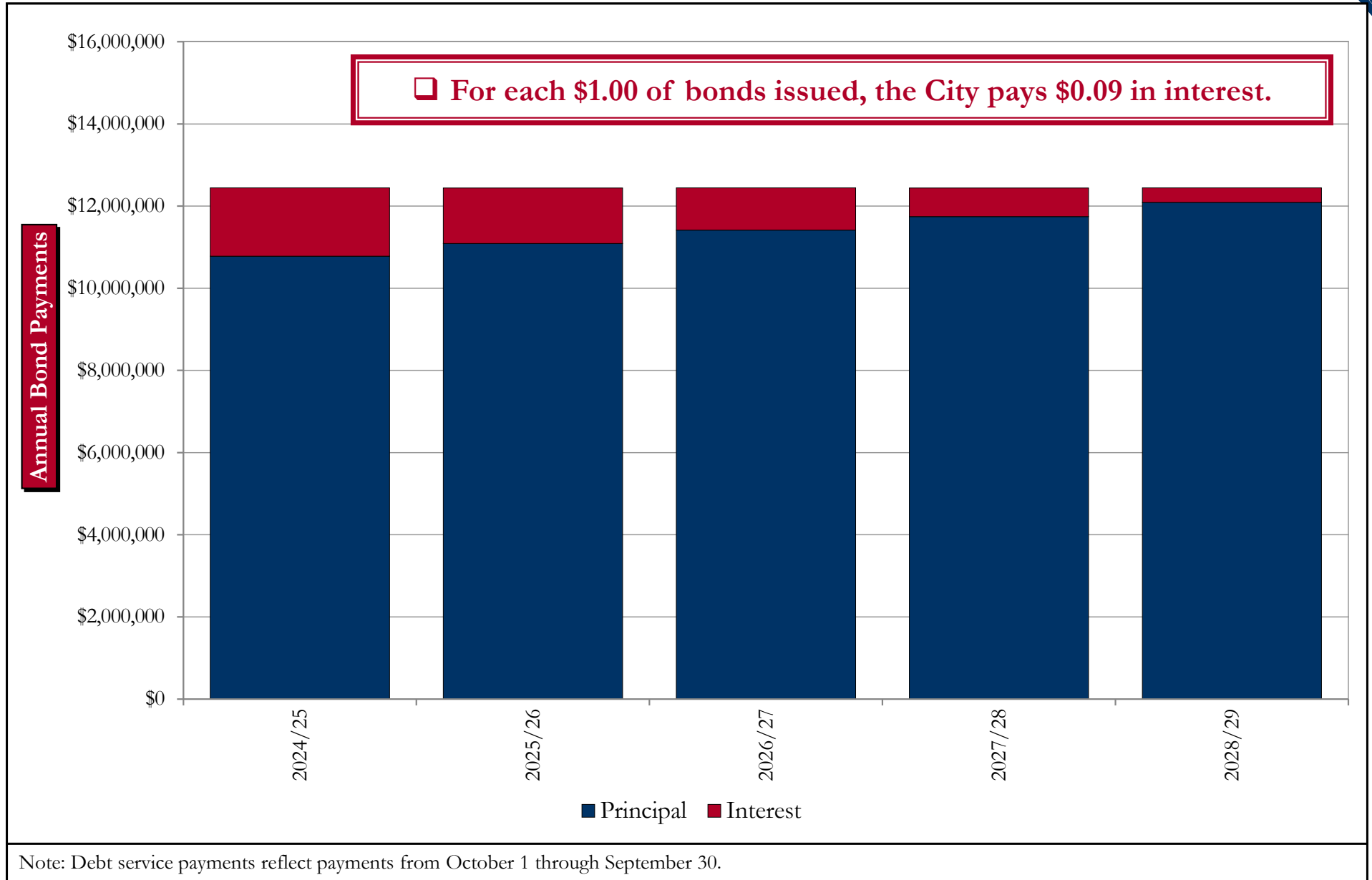
Principal	\$57,120,000
+ Interest	5,095,897
<b>= Total</b>	<b>\$62,215,897</b>



Note: Debt service payments reflect payments from October 1 through September 30.



# Development Authority of Pearland (Tax Increment Financing) Debt Service By Principal and Interest



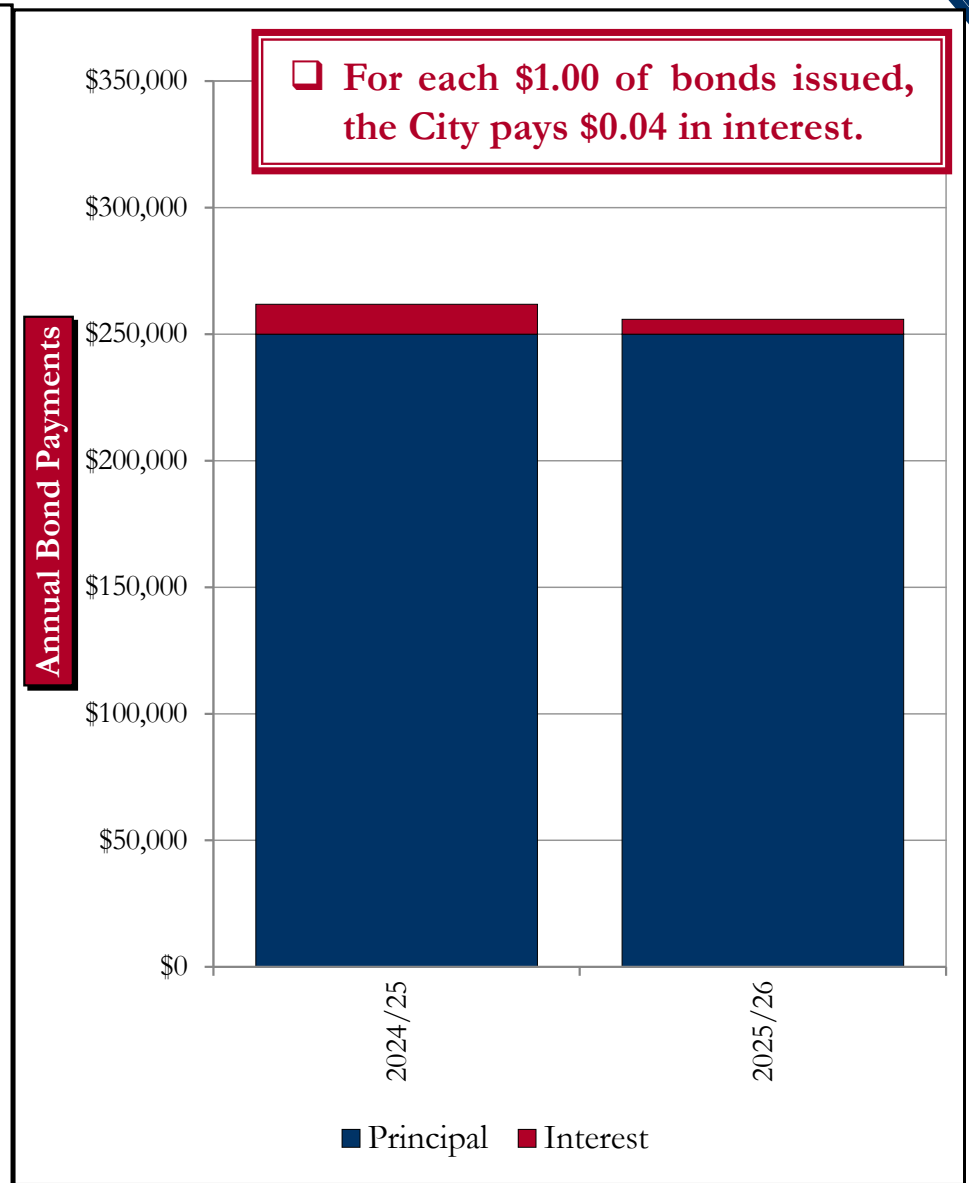
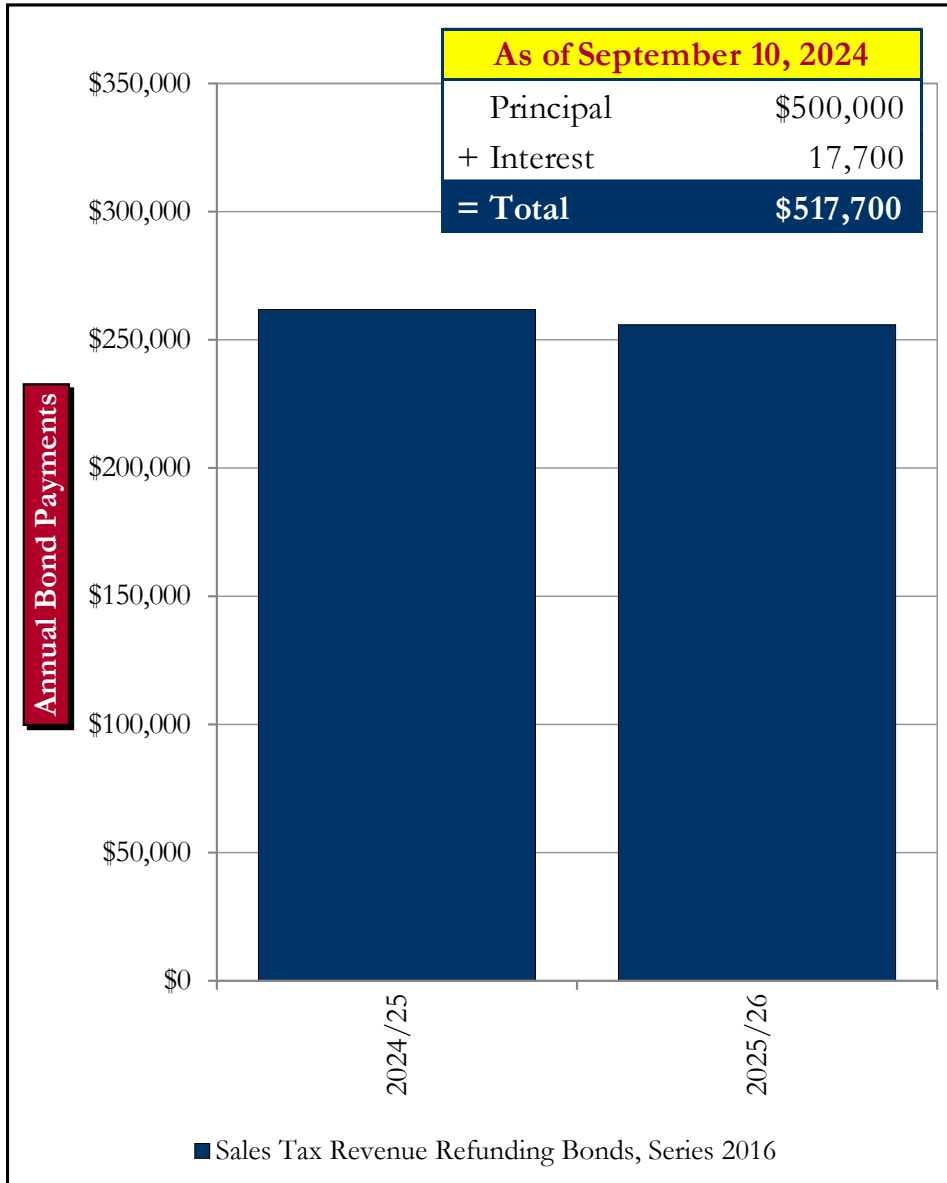


# **Sales Tax Revenue Debt Obligations**

## **Pearland Economic Development Corporation**



# Pearland Economic Development Corporation (Sales Tax) Debt Service



Note: Debt service payments reflect payments from October 1 through September 30.