



BROWNSVILLE ISD

FOR DISCUSSION ONLY

2025 Defeasance
Bond Year Options and Tax Rate Impact
May 2025 Bond Election Timeline

Tax Rate Impact Bond Election Guidance from Estrada Hinojosa for discussion purposes

- How much can the district raise from a Bond with minimal to no I&S Tax Rate increase?
- How much does a Penny (0.01) of I&S Tax Rate generate?



Assumptions

- Board Approval of Defeasance Resolution for FY 2025
- Bond Election in May 2025
- Estrada Hinojosa's analysis of TRI and resulting Bond Amount is based solely on the assumptions and effort to present zero to minimal I&S rate increase
- Based on Assumptions and 1 cent I&S Tax rate increase from .2417 to .2517, the District can leverage approximately \$400,000,000 in New Bonds
- One cent of tax rate may raise approximately \$24,000,000 to cover principal and interest or about \$15,000,000 in project fund, depending on values and interest rates.
- Taxable Assessed Valuations of \$8,243,852,457 and moderate growth of 3-5% through 2030
- ADA maintaining at 31,268
- Future EDA State Aid of 13-18%
- Current state law, TEA regulations, and state aid formulas
- Tax rates and defeasance amounts are projected and not exact, at this time.
- Projection amounts are based on current interest rates +50 basis points (1/2 of 1%).



2024-2025 Defeasance Effects

FYE	Defeasance I&S cents	Debt Paid Off (Principal and Interest)	Defeasance Issuer Contribution
2024	\$ 0.0800	\$ 7,436,050	\$ 6,347,111
2025	0.1100	9,300,000	8,610,000 *

*Projected with 2024 Taxable Assessed Values;
Defeating 2027 Maturity from Series 2020B

District Actions:

- Bond and/or General Counsel prepares Defeasance Resolution
- Board approves the 2025 Defeasance Resolution prior to adoption of the 2025 Tax Rate. Both action items can be on the same agenda.



Tax Rate Impact - Pre

Collections Rate: 94.0%				Project Fund		Delivery	Rate ⁽²⁾														
FYE	Net Assessed	NAV	Existing					Total	Total	Total	Less Total Est.	2024			2025			Total Net	I&S Tax	Rate	FYE
6/30	Valuation ⁽¹⁾	Gr. %	EDA DS	Principal	Interest	Total		EDA DS	IFA DS	Debt Service	State Aid ⁽³⁾	Defeasance	Defeasance	Other	DS	Rate ⁽⁴⁾	Change	6/30			
2024	\$ 7,666,965,863	16%	1,862,300	\$ -	\$ -	\$ -		\$ 1,862,300	\$ 13,555,250	\$ 15,417,550	\$ (3,347,380)	\$ -	\$ -	\$ 5,349,023	\$ 17,419,193	\$ 0.2417	0.0899	2024			
2025	8,243,852,457	8%	800	-	-	-		800	13,476,150	13,476,950	(2,824,513)	(248,800)	-	-	10,403,637	0.1343	(0.1074)	2025			
2026	8,656,045,080	5.0%	800	-	-	-		800	13,471,825	13,472,625	(2,290,968)	(248,800)	-	-	10,932,857	0.1344	0.0001	2026			
2027	9,002,286,883	4.0%	800	-	-	-		800	13,471,100	13,471,900	(1,843,634)	(248,800)	-	-	11,379,466	0.1345	0.0001	2027			
2028	9,272,355,490	3.0%	7,087	-	-	-		7,087	2,196,938	2,204,025	(245,065)	(2,204,025)	-	-	-	-	(0.1345)	2028			
2029	9,550,526,154	3.0%	7,082	-	-	-		7,082	2,195,543	2,202,625	(186,178)	(2,202,625)	-	-	-	-	-	2029			
2030	9,837,041,939	3.0%	7,051	-	-	-		7,051	2,185,949	2,193,000	(125,136)	(2,193,000)	-	-	-	-	-	2030			
2031	9,837,041,939	0.0%	-	-	-	-		-	-	-	-	-	-	-	-	-	-	2031			
2032	9,837,041,939	0.0%	-	-	-	-		-	-	-	-	-	-	-	-	-	-	2032			
2033	9,837,041,939	0.0%	-	-	-	-		-	-	-	-	-	-	-	-	-	-	2033			
2034	9,837,041,939	0.0%	-	-	-	-		-	-	-	-	-	-	-	-	-	-	2034			
2035	9,837,041,939	0.0%	-	-	-	-		-	-	-	-	-	-	-	-	-	-	2035			
2036	9,837,041,939	0.0%	-	-	-	-		-	-	-	-	-	-	-	-	-	-	2036			
2037	9,837,041,939	0.0%	-	-	-	-		-	-	-	-	-	-	-	-	-	-	2037			
2038	9,837,041,939	0.0%	-	-	-	-		-	-	-	-	-	-	-	-	-	-	2038			
2039	9,837,041,939	0.0%	-	-	-	-		-	-	-	-	-	-	-	-	-	-	2039			
2040	9,837,041,939	0.0%	-	-	-	-		-	-	-	-	-	-	-	-	-	-	2040			
2041	9,837,041,939	0.0%	-	-	-	-		-	-	-	-	-	-	-	-	-	-	2041			
2042	9,837,041,939	0.0%	-	-	-	-		-	-	-	-	-	-	-	-	-	-	2042			
2043	9,837,041,939	0.0%	-	-	-	-		-	-	-	-	-	-	-	-	-	-	2043			
2044	9,837,041,939	0.0%	-	-	-	-		-	-	-	-	-	-	-	-	-	-	2044			
2045	9,837,041,939	0.0%	-	-	-	-		-	-	-	-	-	-	-	-	-	-	2045			
2046	9,837,041,939	0.0%	-	-	-	-		-	-	-	-	-	-	-	-	-	-	2046			
2047	9,837,041,939	0.0%	-	-	-	-		-	-	-	-	-	-	-	-	-	-	2047			
2048	9,837,041,939	0.0%	-	-	-	-		-	-	-	-	-	-	-	-	-	-	2048			
2049	9,837,041,939	0.0%	-	-	-	-		-	-	-	-	-	-	-	-	-	-	2049			
2050	9,837,041,939	0.0%	-	-	-	-		-	-	-	-	-	-	-	-	-	-	2050			
2051	9,837,041,939	0.0%	-	-	-	-		-	-	-	-	-	-	-	-	-	-	2051			
2052	9,837,041,939	0.0%	-	-	-	-		-	-	-	-	-	-	-	-	-	-	2052			
2053	9,837,041,939	0.0%	-	-	-	-		-	-	-	-	-	-	-	-	-	-	2053			
2054	9,837,041,939	0.0%	-	-	-	-		-	-	-	-	-	-	-	-	-	-	2054			
2055	9,837,041,939	0.0%	-	-	-	-		-	-	-	-	-	-	-	-	-	-	2055			
2056	9,837,041,939	0.0%	-	-	-	-		-	-	-	-	-	-	-	-	-	-	2056			
				\$ 1,885,921	\$ -	\$ -	\$ -	\$ 3,917,646	\$ 73,938,129	\$ 77,855,775	\$ (14,930,738)	\$ (7,346,050)	\$ -	\$ 5,349,023	\$ 61,484,389						

⁽¹⁾ 2024 & 2025 Certified Assessed Valuations. Other values are calculated.

⁽²⁾ Current Market 5/25/24 +50bps

⁽³⁾ See State Aid Calculations.

⁽⁴⁾ Calculated values except 2024 & 2024.



Tax Rate Impact - \$400 million scenario w/ 2025 Defeasance

Collections Rate: 94.0%				Project Fund			Delivery		Rate ⁽²⁾															
				400,000,000			6/25/2025		4.72%															
FYE	Net Assessed	NAV	Existing				Total	Total	Total	Less Total Est.	2024			2025			Total Net	I&S Tax	Rate	FYE				
6/30	Valuation ⁽¹⁾	Gr. %	EDA DS	Principal	Interest	Total	EDA DS	IFA DS	Debt Service	State Aid ⁽³⁾	Defeasance	Defeasance	Other	DS	Rate ⁽⁴⁾	Change	6/30							
2024	\$ 7,666,965,863	16.5%	\$ 1,862,300	\$ -	\$ -	\$ -	\$ 1,862,300	\$ 13,555,250	\$ 15,417,550	\$ (3,347,380)	\$ -	\$ -	\$ 5,349,023	\$ 17,419,193	\$ 0.2417	0.0899	2024							
2025	8,243,852,457	7.5%	800	-	-	-	800	13,476,150	13,476,950	(2,824,513)	(248,800)	-	8,326,231	18,729,868	0.2417	-	2025							
2026	8,656,045,080	5.0%	800	1,000,000	12,055,674	13,055,674	13,056,474	13,471,825	26,528,299	(2,290,968)	(248,800)	(345,400)	(3,163,102)	20,480,030	0.2517	0.0100	2026							
2027	9,002,286,883	4.0%	800	1,500,000	18,819,750	20,319,750	20,320,550	13,471,100	33,791,650	(1,843,634)	(248,800)	(8,980,400)	(1,419,585)	21,299,231	0.2517	-	2027							
2028	9,272,355,490	3.0%	7,087	6,850,000	18,744,750	25,594,750	25,601,837	2,196,938	27,798,775	(4,881,586)	(2,204,025)	-	-	20,713,164	0.2376	(0.0141)	2028							
2029	9,550,526,154	3.0%	7,082	7,190,000	18,402,250	25,592,250	25,599,332	2,195,543	27,794,875	(4,193,561)	(2,202,625)	-	-	21,398,689	0.2384	0.0007	2029							
2030	9,837,041,939	3.0%	7,051	7,550,000	18,042,750	25,592,750	25,599,801	2,185,949	27,785,750	(3,485,038)	(2,193,000)	-	-	22,107,712	0.2391	0.0007	2030							
2031	9,837,041,939	0.0%	-	7,925,000	17,665,250	25,590,250	25,590,250	-	25,590,250	(3,359,574)	-	-	-	22,230,676	0.2404	0.0013	2031							
2032	9,837,041,939	0.0%	-	8,325,000	17,269,000	25,594,000	25,594,000	-	25,594,000	(3,360,066)	-	-	-	22,233,934	0.2404	0.0000	2032							
2033	9,837,041,939	0.0%	-	8,740,000	16,852,750	25,592,750	25,592,750	-	25,592,750	(3,359,902)	-	-	-	22,232,848	0.2404	(0.0000)	2033							
2034	9,837,041,939	0.0%	-	9,175,000	16,415,750	25,590,750	25,590,750	-	25,590,750	(3,359,640)	-	-	-	22,231,110	0.2404	(0.0000)	2034							
2035	9,837,041,939	0.0%	-	9,635,000	15,957,000	25,592,000	25,592,000	-	25,592,000	(3,359,804)	-	-	-	22,232,196	0.2404	0.0000	2035							
2036	9,837,041,939	0.0%	-	10,115,000	15,475,250	25,590,250	25,590,250	-	25,590,250	(3,359,574)	-	-	-	22,230,676	0.2404	(0.0000)	2036							
2037	9,837,041,939	0.0%	-	10,625,000	14,969,500	25,594,500	25,594,500	-	25,594,500	(3,360,132)	-	-	-	22,234,368	0.2405	0.0000	2037							
2038	9,837,041,939	0.0%	-	11,155,000	14,438,250	25,593,250	25,593,250	-	25,593,250	(3,359,968)	-	-	-	22,233,282	0.2404	(0.0000)	2038							
2039	9,837,041,939	0.0%	-	11,710,000	13,880,500	25,590,500	25,590,500	-	25,590,500	(3,359,607)	-	-	-	22,230,893	0.2404	(0.0000)	2039							
2040	9,837,041,939	0.0%	-	12,300,000	13,295,000	25,595,000	25,595,000	-	25,595,000	(3,360,198)	-	-	-	22,234,802	0.2405	0.0000	2040							
2041	9,837,041,939	0.0%	-	12,910,000	12,680,000	25,590,000	25,590,000	-	25,590,000	(3,359,541)	-	-	-	22,230,459	0.2404	(0.0000)	2041							
2042	9,837,041,939	0.0%	-	13,560,000	12,034,500	25,594,500	25,594,500	-	25,594,500	(3,360,132)	-	-	-	22,234,368	0.2405	0.0000	2042							
2043	9,837,041,939	0.0%	-	14,235,000	11,356,500	25,591,500	25,591,500	-	25,591,500	(3,359,738)	-	-	-	22,231,762	0.2404	(0.0000)	2043							
2044	9,837,041,939	0.0%	-	14,950,000	10,644,750	25,594,750	25,594,750	-	25,594,750	(3,360,165)	-	-	-	22,234,585	0.2405	0.0000	2044							
2045	9,837,041,939	0.0%	-	15,695,000	9,897,250	25,592,250	25,592,250	-	25,592,250	(3,359,837)	-	-	-	22,232,413	0.2404	(0.0000)	2045							
2046	9,837,041,939	0.0%	-	16,480,000	9,112,500	25,592,500	25,592,500	-	25,592,500	(3,359,869)	-	-	-	22,232,631	0.2404	0.0000	2046							
2047	9,837,041,939	0.0%	-	17,220,000	8,370,900	25,590,900	25,590,900	-	25,590,900	(3,359,659)	-	-	-	22,231,241	0.2404	(0.0000)	2047							
2048	9,837,041,939	0.0%	-	17,995,000	7,596,000	25,591,000	25,591,000	-	25,591,000	(3,359,673)	-	-	-	22,231,327	0.2404	0.0000	2048							
2049	9,837,041,939	0.0%	-	18,805,000	6,786,225	25,591,225	25,591,225	-	25,591,225	(3,359,702)	-	-	-	22,231,523	0.2404	0.0000	2049							
2050	9,837,041,939	0.0%	-	19,655,000	5,940,000	25,595,000	25,595,000	-	25,595,000	(3,360,198)	-	-	-	22,234,802	0.2405	0.0000	2050							
2051	9,837,041,939	0.0%	-	20,535,000	5,055,525	25,590,525	25,590,525	-	25,590,525	(3,359,610)	-	-	-	22,230,915	0.2404	(0.0000)	2051							
2052	9,837,041,939	0.0%	-	21,460,000	4,131,450	25,591,450	25,591,450	-	25,591,450	(3,359,732)	-	-	-	22,231,718	0.2404	0.0000	2052							
2053	9,837,041,939	0.0%	-	22,425,000	3,165,750	25,590,750	25,590,750	-	25,590,750	(3,359,640)	-	-	-	22,231,110	0.2404	(0.0000)	2053							
2054	9,837,041,939	0.0%	-	23,435,000	2,156,625	25,591,625	25,591,625	-	25,591,625	(3,359,755)	-	-	-	22,231,870	0.2404	0.0000	2054							
2055	9,837,041,939	0.0%	-	24,490,000	1,102,050	25,592,050	25,592,050	-	25,592,050	(3,359,810)	-	-	-	22,232,240	0.2404	0.0000	2055							
2056	9,837,041,939	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.2404)	2056							
				\$ 1,885,921	\$ 397,645,000	\$ 352,313,449	\$ 749,958,449	\$ 753,876,094	\$ 73,938,129	\$ 827,814,224	\$ (110,930,068)	\$ (7,346,050)	\$ (9,325,800)	\$ 9,092,568	\$ 709,304,873									

⁽¹⁾ 2024 & 2025 Certified Assessed Valuations. Other values are calculated.

⁽²⁾ Current Market 5/25/24 +50bps

⁽³⁾ See State Aid Calculations.

⁽⁴⁾ Calculated values except 2024 & 2024.



Summary

Projected Tax Rate Impact (TRI): Pre Defeasance/No Bond Election

FYE	Debt Service	I&S Rate*	Tax Rate Change
2024	\$ 17,419,193	\$ 0.2417	\$ -
2025	10,403,637	0.1343	(0.1074)
2026	10,932,857	0.1344	0.0001
2027	11,379,466	0.1345	0.0001
2028 fwd.	-	-	(0.1345)

*Projected w/ TAV

Projected TRI: With Defeasance and New Bond in May 2025; 1 cent increase in FY 2026

FYE	Debt Service	I&S Rate*	Tax Rate Change
2024	\$ 17,419,193	\$ 0.2417	\$ -
2025	18,729,868	0.2417	-
2026	20,480,030	0.2517	0.0100 ⁽¹⁾
2027	21,299,231	0.2517	-
2028 fwd.	20,713,163	0.2376 0.2405	-

*Projected w/ TAV

⁽¹⁾ Projected 1 cent increase with Bonds

Projected TRI: With Defeasance and New Bond in Nov. 2025 or May 2026; 9.17 cent increase for FY 2027

FYE	Debt Service	I&S Rate*	Tax Rate Change
2024	\$ 17,419,193	\$ 0.2417	\$ -
2025	18,729,868	0.2417	-
2026	12,986,523	0.1600	(0.0817) ⁽¹⁾
2027	21,299,231	0.2517	0.0917 ⁽²⁾
2028 fwd.	20,713,163	0.2376 0.2405	-

*Projected w/ TAV

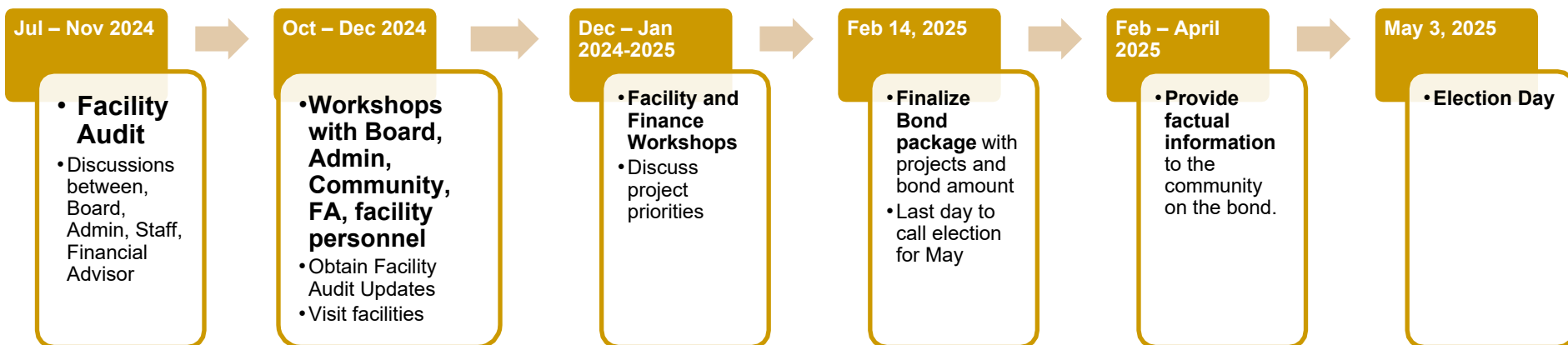
⁽¹⁾ Projected rate of .1300 to pay currently due payments and .0300 for defeasance to pay off all remaining debt.

⁽²⁾ Projected .0917 increase to .2517 to pay for all new debt.



May 3, 2025 Election Timeline

- ❑ Election needs to be called by February 14, 2025.
- ❑ Below are some of the steps that the District may wish to consider approaching the May 2025 election:



■ November 2025 Elections

- ❑ Election will need to be called in mid August 2025.



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