



Public Resources Advisory Group

**Concord Station
Community Development District**

June 9, 2016

Assumptions

- Evaluated three options:
 - Do not purchase; keep existing Club Plan in place
 - Purchase Club Plan at Offered Price
 - Wait and attempt to obtain HOA Purchase Option after all homes are sold
 - May not be possible
- 2016 Club Plan (based on an assumed average of 1,353 homeowners):

• Club Fee	\$39.00
• Operating Expenses	\$26.14
• <u>Sales Taxes</u>	<u>\$4.56 (7%)</u>
• Total	\$69.70
- Estimated 2017 Club Plan (based on an assumed average of 1,407 homeowners):

• Club Fee	\$41.00
• Operating Expenses	\$25.88
• <u>Sales Taxes</u>	<u>\$4.68 (7%)</u>
• Total	\$71.56

Assumptions

- Operating Costs
 - Club Plan Operating Expenses Increase at 3% Annually
 - CDD Operating Expenses based on proposed FY16/17 Budget increased at 3% Annually
 - If the CDD owned the facilities there will be no sales taxes
 - Club Plan will remain in place through 12/31/16 and then terminate
 - Future funding for the clubhouse and associated recreational facilities will be provided by operating and capital assessments

Assumptions

- Bond Assumptions
 - Closing date of August 29, 2016
 - Purchase Price of \$11,824,800
 - Estimated due diligence cost of \$175,000
 - Financed with a 30 year bond issue
 - Combine with Refunding of Series 2005
 - Total collection charges of 6%
 - Approximately Net Present Value Savings of \$1.5 million
 - Senior Debt - Approximately 85% (built-out portion) obtains an investment grade rating
 - Subordinate Debt - Approximately 15% (developer portion) is non-rated
 - Estimated Net Interest Cost of 4.44% (includes 25 basis point buffer)

Assumptions

SOURCES OF FUNDS

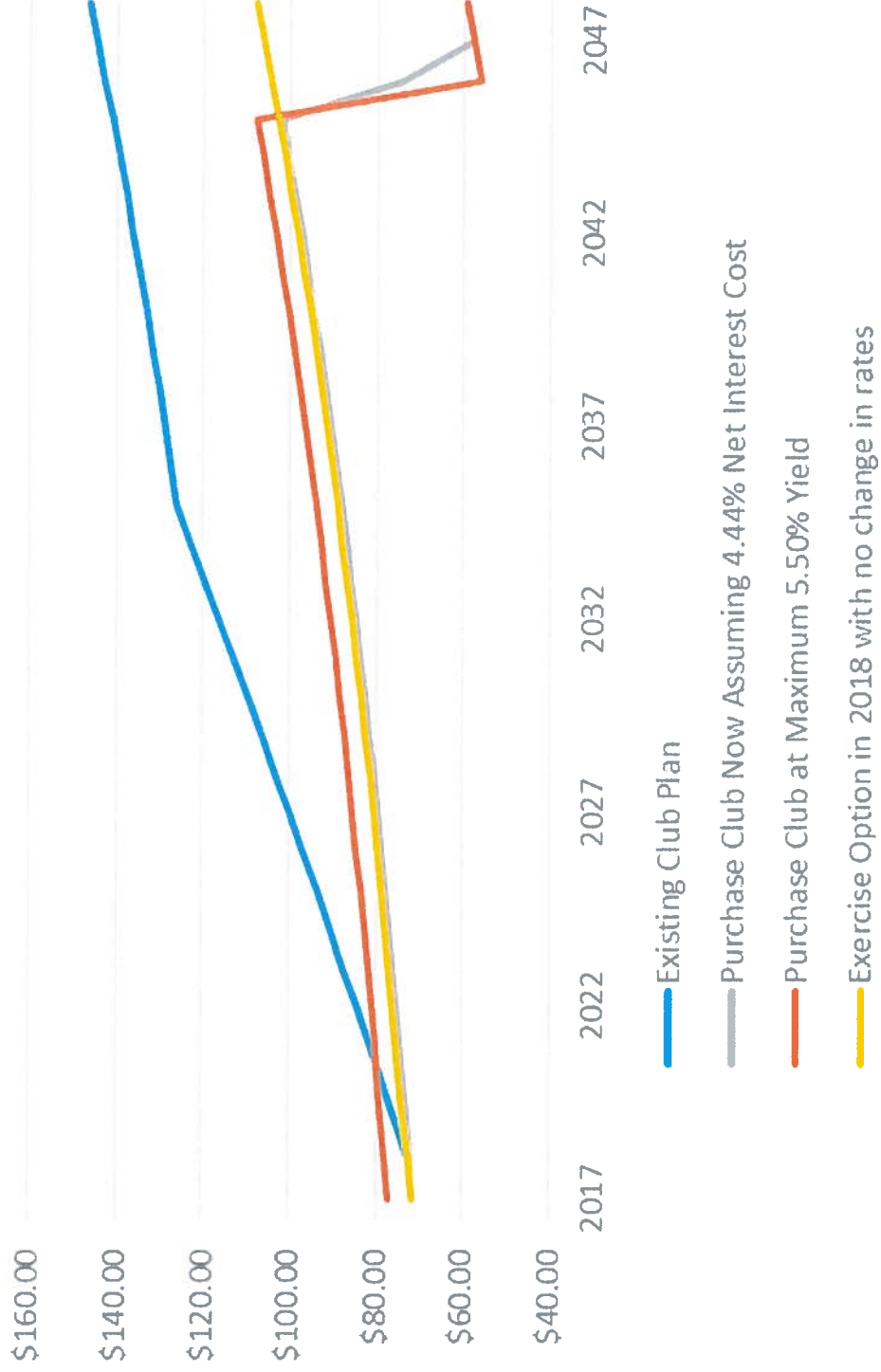
	Series A-1 (Refunding Rated)	Series A-2 (Refunding Non- Rated)	Series B-1 (New Money Rated)	Series B-2 (New Money Non- Rated)	Total
<u>Bond Proceeds</u>					
Par Amount	13,235,000.00	2,460,000.00	10,750,000.00	2,005,000.00	28,450,000.00
Net Premium/OID	(30,129.65)	0.00	117,913.05	0.00	87,783.40
<u>Cash on Hand</u>					
Revenue Account Balance	452,841.03	79,913.12			532,754.15
<u>Release of Existing Reserve</u>	<u>547,678.38</u>	<u>96,949.12</u>			<u>644,627.50</u>
Total Sources	14,205,389.76	2,636,862.24	10,867,913.05	2,005,000.00	29,715,165.05

USES OF FUNDS

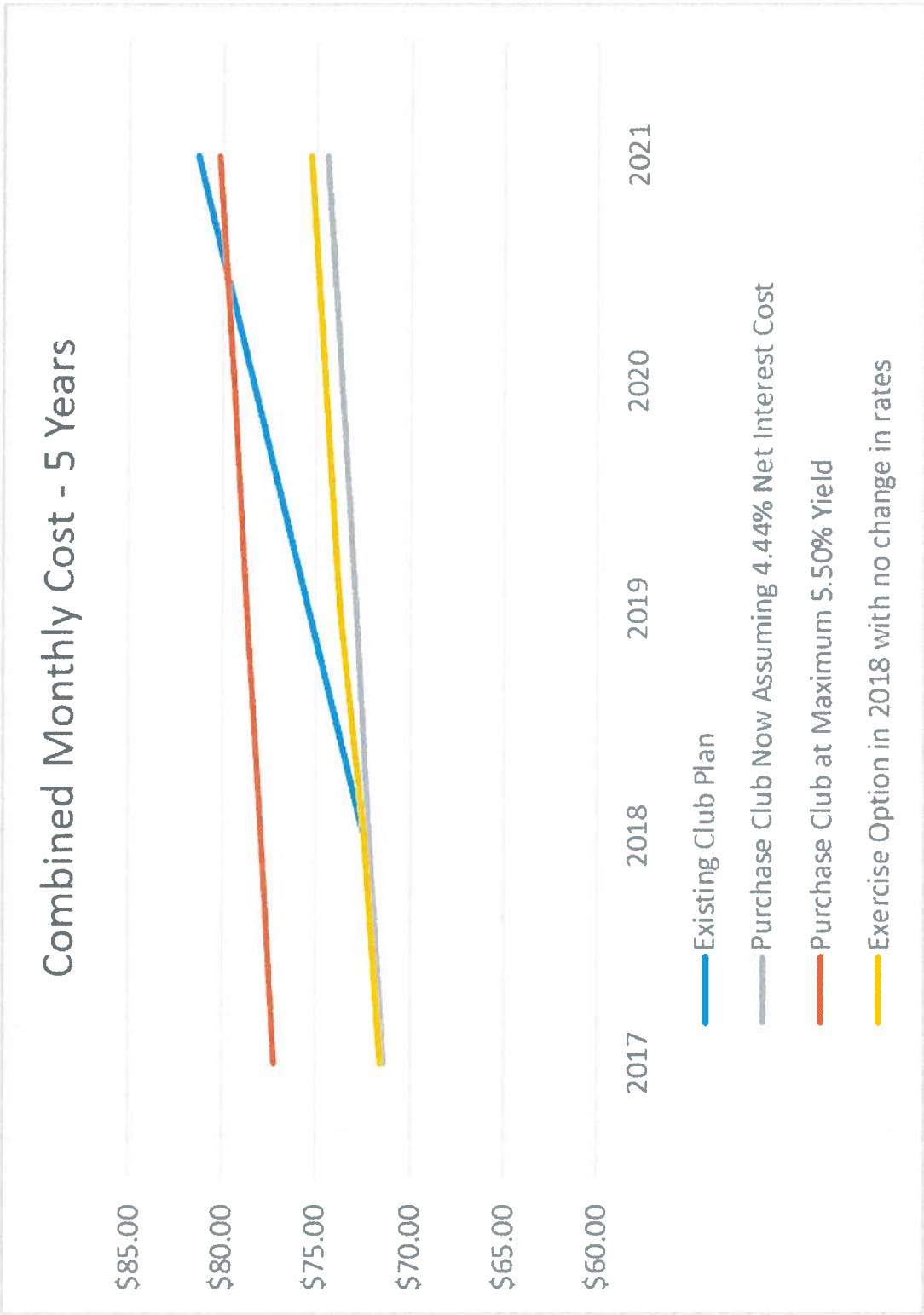
	Series A-1 (Refunding Rated)	Series A-2 (Refunding Non- Rated)	Series B-1 (New Money Rated)	Series B-2 (New Money Non- Rated)	Total
<u>Acquisition</u>					
Club Plan Purchase Price			10,051,080.00	1,773,720.00	11,824,800.00
Estimated Due Diligence			148,750.00	26,250.00	175,000.00
<u>Deposit to Refunding Escrow</u>					
Cash Deposit	13,380,615.58	2,366,396.11			15,747,011.69
<u>Funds and Reserves</u>					
Debt Service Reserve Fund	486,481.25	205,100.00	315,255.63	137,325.00	1,144,161.88
Capitalized Interest			75,543.37	14,089.72	89,633.09
<u>Issuance Costs</u>					
Estimated Cost of Issuance	139,767.93	28,466.13	116,034.05	23,540.28	307,808.39
<u>Underwriter's Discount</u>	<u>198,525.00</u>	<u>36,900.00</u>	<u>161,250.00</u>	<u>30,075.00</u>	<u>426,750.00</u>
Total Uses	14,205,389.76	2,636,862.24	10,867,913.05	2,005,000.00	29,715,165.05

Potential Financial Benefit of Purchase

Combined Monthly Cost - 30 Years



Potential Financial Benefit of Purchase



Potential Financial Benefit of Purchase

Year	Estimated Average Number of Homes in HOA	Club Plan			Sales			Total Monthly Cost	Estimated			Estimated			Estimated		
		Club Plan	Maintenance	Tax	Estimated Maintenance	Sales Tax	Estimated Total Monthly Cost		Bond Payments	Estimated Maintenance	Sales Tax	Estimated Bond Payments	Estimated Maintenance	Sales Tax	Estimated Total Monthly Cost		
2016	1,353	39.00	26.14	4.56	69.70	47.68	23.77	0	71.44	53.47	23.77	0	77.24	41.00	25.88	4.68	71.56
2017	1,407	41.00	25.88	4.68	71.56	47.68	24.48	0	72.16	53.47	24.48	0	77.95	43.00	24.75	4.74	72.49
2018	1,516	43.00	24.75	4.74	72.49	47.68	25.21	0	72.89	53.47	25.21	0	78.68	48.56	25.97	0	78.68
2019	1,516	45.00	25.49	4.93	75.42	47.68	25.97	0	73.65	53.47	25.97	0	79.44	48.56	26.75	0	79.44
2020	1,516	47.00	26.26	5.13	78.38	47.68	26.75	0	74.42	53.47	26.75	0	80.22	48.56	27.55	0	80.22
2021	1,516	49.00	27.04	5.32	81.37	47.68	27.55	0	75.23	53.47	27.55	0	81.02	48.56	28.38	0	81.02
2022	1,516	51.00	27.85	5.52	84.37	47.68	28.38	0	76.05	53.47	28.38	0	81.85	48.56	29.23	0	81.85
2023	1,516	53.00	28.69	5.72	87.41	47.68	29.23	0	76.91	53.47	29.23	0	82.70	48.56	30.11	0	82.70
2024	1,516	55.00	29.55	5.92	90.47	47.68	30.11	0	77.78	53.47	30.11	0	83.58	48.56	31.01	0	83.58
2025	1,516	57.00	30.44	6.12	93.56	47.68	31.01	0	78.69	53.47	31.01	0	84.48	48.56	31.94	0	84.48
2026	1,516	59.00	31.35	6.32	96.67	47.68	31.94	0	79.62	53.47	31.94	0	85.41	48.56	32.90	0	85.41
2027	1,516	61.00	32.29	6.53	99.82	47.68	32.90	0	80.57	53.47	32.90	0	86.37	48.56	33.88	0	86.37
2028	1,516	63.00	33.26	6.74	103.00	47.68	33.88	0	81.56	53.47	33.88	0	87.35	48.56	34.90	0	87.35
2029	1,516	65.00	34.26	6.95	106.21	47.68	34.90	0	82.58	53.47	34.90	0	88.37	48.56	35.95	0	88.37
2030	1,516	67.00	35.28	7.16	109.44	47.68	35.95	0	83.62	53.47	35.95	0	89.42	48.56	37.03	0	89.42
2031	1,516	69.00	36.34	7.37	112.72	47.68	37.03	0	84.70	53.47	37.03	0	90.50	48.56	38.14	0	90.50
2032	1,516	71.00	37.43	7.59	116.02	47.68	38.14	0	85.81	53.47	38.14	0	91.61	48.56	39.28	0	91.61
2033	1,516	73.00	38.56	7.81	119.37	47.68	39.28	0	86.96	53.47	39.28	0	92.75	48.56	40.46	0	92.75
2034	1,516	75.00	39.71	8.03	122.74	47.68	40.46	0	88.14	53.47	40.46	0	93.93	48.56	41.67	0	93.93
2035	1,516	77.00	40.90	8.25	126.16	47.68	41.67	0	89.35	53.47	41.67	0	95.14	48.56	42.92	0	95.14
2036	1,516	77.00	42.13	8.34	127.47	47.68	42.92	0	90.60	53.47	42.92	0	96.39	48.56	44.21	0	96.39
2037	1,516	77.00	43.40	8.43	128.82	47.68	44.21	0	91.89	53.47	44.21	0	97.68	48.56	45.54	0	97.68
2038	1,516	77.00	44.70	8.52	130.22	47.68	45.54	0	93.21	53.47	45.54	0	99.01	48.56	46.90	0	99.01
2039	1,516	77.00	46.04	8.61	131.65	47.68	46.90	0	94.58	53.47	46.90	0	100.37	48.56	48.31	0	100.37
2040	1,516	77.00	47.42	8.71	133.13	47.68	48.31	0	95.99	53.47	48.31	0	101.78	48.56	49.76	0	101.78
2041	1,516	77.00	48.84	8.81	134.65	47.68	49.76	0	97.44	53.47	49.76	0	103.23	48.56	51.25	0	103.23
2042	1,516	77.00	50.31	8.91	136.22	47.68	51.25	0	98.93	53.47	51.25	0	104.72	48.56	52.79	0	104.72
2043	1,516	77.00	51.82	9.02	137.83	47.68	52.79	0	100.47	53.47	52.79	0	106.26	48.56	54.38	0	106.26
2044	1,516	77.00	53.37	9.13	139.50	47.68	54.38	0	102.05	53.47	54.38	0	107.85	48.56	56.01	0	107.85
2045	1,516	77.00	54.97	9.24	141.21	47.68	56.01	0	104.00	53.47	56.01	0	109.69	48.56	57.69	0	109.69
2046	1,516	77.00	56.62	9.35	142.98	18.31	57.69	0	105.42	0.00	57.69	0	111.66	48.56	59.42	0	111.66
2047	1,516	77.00	58.32	9.47	144.79		59.42	0	106.84		59.42	0	113.72	48.56	61.20	0	113.72
2048	1,516	77.00	60.07	9.59	146.66			0	108.11			0	115.89	48.56	63.03	0	115.89

Tentative Timetable

- June 9 – August 8
 - Property Due Diligence
 - Document Preparation
 - Bond Structuring
 - Rating Agency Process
- August 8 – August 31
 - Bond Marketing
 - Pricing
 - Bond Closing
 - Real Estate Closing