

Jason Hughes

Managing Director

Date: March 10, 2023

To: Mesquite City Council

Cc: Cliff Keheley; Ted Chinn; Cindy Smith

Subject: Heartland Phase #2 PID Revenue Bond Issuance

The City created Heartland Public Improvement District (“Heartland PID”), a residential development expected to be developed in two phases, on December 18, 2017. Heartland PID was established to provide funds for the reimbursement of certain public infrastructure costs to the developer, including roadway, water, sewer and drainage improvements, through the issuance of PID revenue bonds secured by the assessments levied in Heartland PID. Heartland PID is comprised of 450 lots in total, with 210 developed in Phase #1 and 240 in Phase #2.

The City issued \$5.410 million of PID revenue bonds in September 2018 to fund the reimbursement of public infrastructure costs in Phase #1. At the same time, the City issued \$1.835 million in PID revenue bonds for reimbursement of initial public infrastructure costs in Phase #2 of Heartland PID, with the understanding that further public infrastructure costs would be reimbursed in the future. The developer has completed construction of the public infrastructure in Phase #2 and requested the City issue the remaining PID revenue bonds to reimburse those costs.

The City Council is requested to approve the Preliminary Limited Offering Memorandum (“PLOM”), which is the document the underwriter uses to market and sell the PID revenue bonds. The sale date for the Phase #2 bonds is set for April 3rd. Final pricing of the PID revenue bond sale will be set that day, with Council approval requested at their meeting that night.

The draft PLOM that has been supplied to Council is in substantially final form and has been reviewed by the City’s financial advisor, bond counsel and PID administrator. I would recommend approval of the resolution authorizing the form and distribution of the PLOM.

This communication is for information only, not an offer, solicitation or recommendation, nor an official confirmation of any financial transaction. It is not to be considered research. The information is considered to be reliable, but Hilltop Securities Inc. does not warrant its completeness or accuracy, prices and availability are subject to change without notice. Clients should consult their own advisors regarding any accounting, legal or tax aspects. Investors are instructed to read the entire Official Statement to obtain information essential to the making of an informed investment decision.