July 17, 2013

Convention Centre
Expansion and Renovations
City Council Meeting

Current Market Conditions

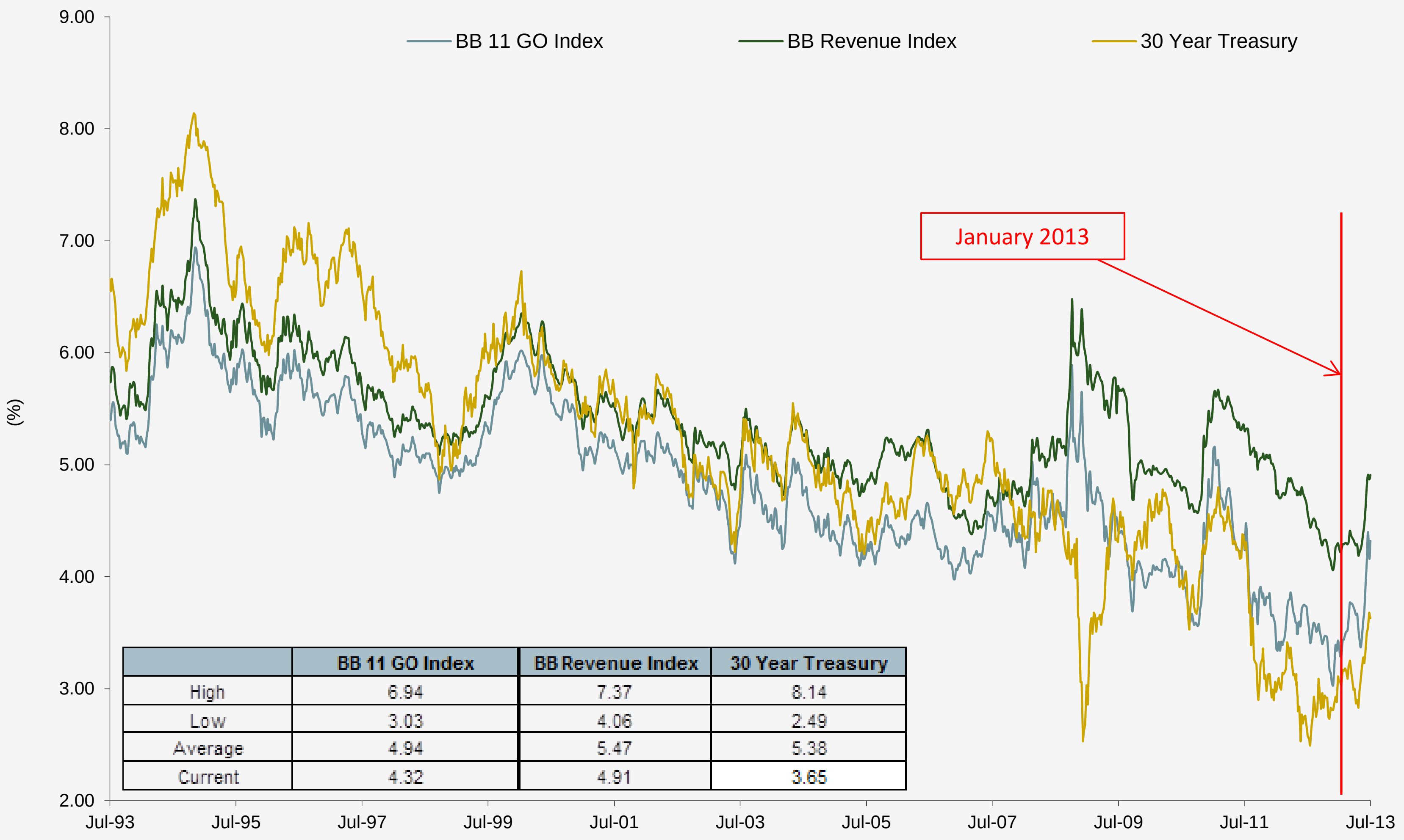
Hotel Occupancy Tax Revenue Bond Scenarios

ESTRADA • HINOJOSA
INVESTMENT BANKERS

Dallas • Austin • Chicago • Houston • Miami • New York • Phoenix • San Antonio • San Diego

Market Update

Bond Buyer Indices vs. 30 Year Treasury: 20 Year History



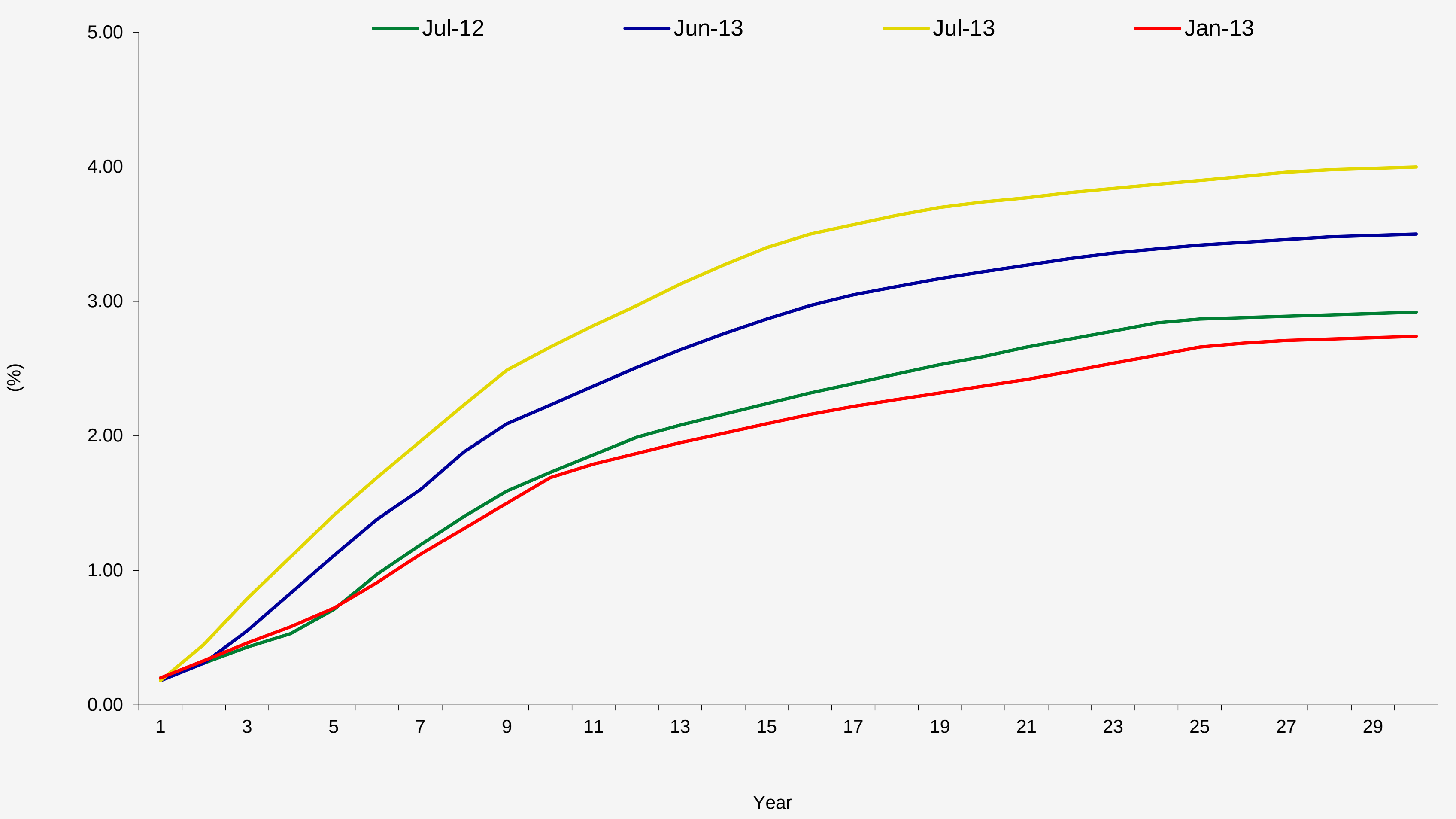
	BB 11 GO Index	BB Revenue Index	30 Year Treasury
High	6.94	7.37	8.14
Low	3.03	4.06	2.49
Average	4.94	5.47	5.38
Current	4.32	4.91	3.65

Source: Bond Buyer

ESTRADA • HINOJOSA
INVESTMENT BANKERS

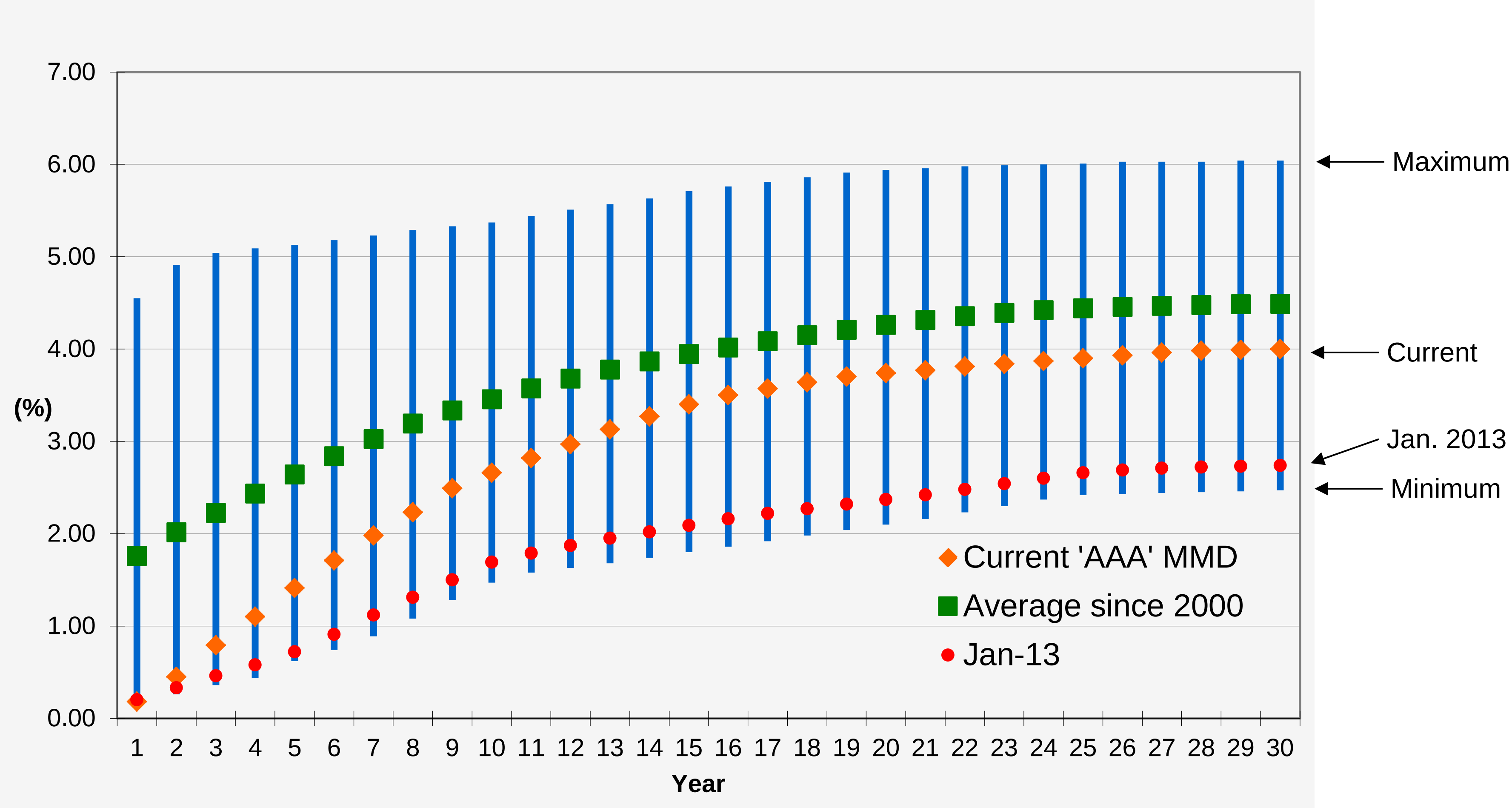
Municipal Yield Curve

AAA MMD yield curve**



*Source: Bond Buyer
**Source: Municipal Market Data

‘AAA’ MMD History Since 2000



Maturity	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
% of time above current MMD	99%	83%	81%	80%	80%	81%	81%	82%	81%	81%	81%	82%	81%	80%	79%	78%	78%	78%	79%	80%	81%	82%	83%	83%	83%	82%	82%	81%	81%	81%

As of 07/15/2013

ESTRADA • HINOJOSA
INVESTMENT BANKERS

HOT Revenue Bond Scenarios

South Padre Island Convention Centre Expansion Project

DRAFT- FOR DISCUSSION PURPOSES ONLY

Revenue and Coverage Projections: Moderate Growth

Hotel Occupancy Tax Revenue Bonds, Series 2013

Delivery Date:	10/30/2013
Est. Bond Proceeds:	$ 33,776,124
Project Fund Deposit:	$ 30,575,000
DS Reserve Fund Deposit:	$ 2,308,506
Est. Total Costs of Issuance:	$ 892,618
Est. Interest Rate [(2)]:	5.24%

FYE 9/30	[A] Pro Forma 8% HOT Revenue	Est. Growth Rate	Principal	Interest	[B] Total	[A]-[B] Residual Revenue	[B] / [A] D/S Coverage	FYE 9/30
2014	$ **6,300,000** [(1)]		$ 400,000	$ 1,376,735	$ 1,776,735	$ 4,523,265	3.55 X	2014
2015	6,489,000	3.00%	300,000	1,637,594	1,937,594	4,551,406	3.35 X	2015
2016	6,683,670	3.00%	400,000	1,630,844	2,030,844	4,652,826	3.29 X	2016
2017	6,884,180	3.00%	500,000	1,621,844	2,121,844	4,762,336	3.24 X	2017
2018	7,090,706	3.00%	700,000	1,608,094	2,308,094	4,782,612	3.07 X	2018
2019	7,303,427	3.00%	720,000	1,585,344	2,305,344	4,998,083	3.17 X	2019
2020	7,522,529	3.00%	745,000	1,561,944	2,306,944	5,215,586	3.26 X	2020
2021	7,748,205	3.00%	770,000	1,537,731	2,307,731	5,440,474	3.36 X	2021
2022	7,980,652	3.00%	795,000	1,510,781	2,305,781	5,674,870	3.46 X	2022
2023	8,220,071	3.00%	825,000	1,480,969	2,305,969	5,914,102	3.56 X	2023
2024	8,220,071	0.00%	855,000	1,449,000	2,304,000	5,916,071	3.57 X	2024
2025	8,220,071	0.00%	895,000	1,412,663	2,307,663	5,912,409	3.56 X	2025
2026	8,220,071	0.00%	935,000	1,373,506	2,308,506	5,911,565	3.56 X	2026
2027	8,220,071	0.00%	975,000	1,331,431	2,306,431	5,913,640	3.56 X	2027
2028	8,220,071	0.00%	1,020,000	1,286,338	2,306,338	5,913,734	3.56 X	2028
2029	8,220,071	0.00%	1,070,000	1,237,888	2,307,888	5,912,184	3.56 X	2029
2030	8,220,071	0.00%	1,120,000	1,185,725	2,305,725	5,914,346	3.57 X	2030
2031	8,220,071	0.00%	1,180,000	1,126,925	2,306,925	5,913,146	3.56 X	2031
2032	8,220,071	0.00%	1,240,000	1,064,975	2,304,975	5,915,096	3.57 X	2032
2033	8,220,071	0.00%	1,305,000	999,875	2,304,875	5,915,196	3.57 X	2033
2034	8,220,071	0.00%	1,375,000	931,363	2,306,363	5,913,709	3.56 X	2034
2035	8,220,071	0.00%	1,445,000	859,175	2,304,175	5,915,896	3.57 X	2035
2036	8,220,071	0.00%	1,520,000	783,313	2,303,313	5,916,759	3.57 X	2036
2037	8,220,071	0.00%	1,600,000	703,513	2,303,513	5,916,559	3.57 X	2037
2038	8,220,071	0.00%	1,685,000	619,513	2,304,513	5,915,559	3.57 X	2038
2039	8,220,071	0.00%	1,775,000	531,050	2,306,050	5,914,021	3.56 X	2039
2040	8,220,071	0.00%	1,870,000	435,644	2,305,644	5,914,427	3.57 X	2040
2041	8,220,071	0.00%	1,970,000	335,131	2,305,131	5,914,940	3.57 X	2041
2042	8,220,071	0.00%	2,075,000	229,244	2,304,244	5,915,827	3.57 X	2042
2043	8,220,071	0.00%	2,190,000	117,713	2,307,713	5,912,359	3.56 X	2043
Total	$ 236,623,861		$ 34,255,000	$ 33,565,860	$ 67,820,860	$ 168,803,000		

[(1)] Estimated 2014 HOT revenue. Budgeted 2014 HOT equals $6,167,600.

[(2)] Assumes current market tax-exempt insured rates (7/12/13) plus about 25 bps with "A"/"A2" underlying ratings.

South Padre Island Convention Centre Expansion Project

Revenue and Coverage Projections: No Growth
Hotel Occupancy Tax Revenue Bonds, Series 2013

Delivery Date:	**10/30/2013**
Est. Bond Proceeds:	**$ 33,776,124**
Project Fund Deposit:	**$ 30,575,000**
DS Reserve Fund Deposit:	**$ 2,308,506**
Est. Total Costs of Issuance:	**$ 892,618**
Est. Interest Rate [(2)]:	**5.24%**

FYE 9/30	[A] Pro Forma 8% HOT Revenue	Est. Growth Rate	Principal	Interest	[B] Total	[A]-[B] Residual Revenue	[B] / [A] D/S Coverage	FYE 9/30
2014	**$ 6,300,000** [(1)]		$ 400,000	$ 1,376,735	$ 1,776,735	$ 4,523,265	3.55 X	2014
2015	6,300,000	0.00%	300,000	1,637,594	1,937,594	4,362,406	3.25 X	2015
2016	6,300,000	0.00%	400,000	1,630,844	2,030,844	4,269,156	3.10 X	2016
2017	6,300,000	0.00%	500,000	1,621,844	2,121,844	4,178,156	2.97 X	2017
2018	6,300,000	0.00%	700,000	1,608,094	2,308,094	3,991,906	2.73 X	2018
2019	6,300,000	0.00%	720,000	1,585,344	2,305,344	3,994,656	2.73 X	2019
2020	6,300,000	0.00%	745,000	1,561,944	2,306,944	3,993,056	2.73 X	2020
2021	6,300,000	0.00%	770,000	1,537,731	2,307,731	3,992,269	2.73 X	2021
2022	6,300,000	0.00%	795,000	1,510,781	2,305,781	3,994,219	2.73 X	2022
2023	6,300,000	0.00%	825,000	1,480,969	2,305,969	3,994,031	2.73 X	2023
2024	6,300,000	0.00%	855,000	1,449,000	2,304,000	3,996,000	2.73 X	2024
2025	6,300,000	0.00%	895,000	1,412,663	2,307,663	3,992,338	2.73 X	2025
2026	6,300,000	0.00%	935,000	1,373,506	2,308,506	3,991,494	2.73 X	2026
2027	6,300,000	0.00%	975,000	1,331,431	2,306,431	3,993,569	2.73 X	2027
2028	6,300,000	0.00%	1,020,000	1,286,338	2,306,338	3,993,663	2.73 X	2028
2029	6,300,000	0.00%	1,070,000	1,237,888	2,307,888	3,992,113	2.73 X	2029
2030	6,300,000	0.00%	1,120,000	1,185,725	2,305,725	3,994,275	2.73 X	2030
2031	6,300,000	0.00%	1,180,000	1,126,925	2,306,925	3,993,075	2.73 X	2031
2032	6,300,000	0.00%	1,240,000	1,064,975	2,304,975	3,995,025	2.73 X	2032
2033	6,300,000	0.00%	1,305,000	999,875	2,304,875	3,995,125	2.73 X	2033
2034	6,300,000	0.00%	1,375,000	931,363	2,306,363	3,993,638	2.73 X	2034
2035	6,300,000	0.00%	1,445,000	859,175	2,304,175	3,995,825	2.73 X	2035
2036	6,300,000	0.00%	1,520,000	783,313	2,303,313	3,996,688	2.74 X	2036
2037	6,300,000	0.00%	1,600,000	703,513	2,303,513	3,996,488	2.73 X	2037
2038	6,300,000	0.00%	1,685,000	619,513	2,304,513	3,995,488	2.73 X	2038
2039	6,300,000	0.00%	1,775,000	531,050	2,306,050	3,993,950	2.73 X	2039
2040	6,300,000	0.00%	1,870,000	435,644	2,305,644	3,994,356	2.73 X	2040
2041	6,300,000	0.00%	1,970,000	335,131	2,305,131	3,994,869	2.73 X	2041
2042	6,300,000	0.00%	2,075,000	229,244	2,304,244	3,995,756	2.73 X	2042
2043	6,300,000	0.00%	2,190,000	117,713	2,307,713	3,992,288	2.73 X	2043
Total	$ 189,000,000		$ 34,255,000	$ 33,565,860	$ 67,820,860	$ 121,179,140		

[(1)] Estimated 2014 HOT revenue. Budgeted 2014 HOT equals $6,167,600.

[(2)] Assumes current market tax-exempt insured rates (7/12/13) plus about 25 bps with "A"/"A2" underlying ratings.

South Padre Island Convention Centre Expansion Project *DRAFT- FOR DISCUSSION PURPOSES ONLY*

Revenue and Coverage Projections: Moderate Growth

Hotel Occupancy Tax Revenue Bonds, Series 2013

Delivery Date:		10/30/2013
Est. Bond Proceeds:	$	27,630,374
Project Fund Deposit:	$	25,077,645
DS Reserve Fund Deposit:	$	1,818,444
Est. Total Costs of Issuance:	$	734,285
Est. Interest Rate [2]**:**		5.22%

	[A]				[B]	[A]-[B]	[B] / [A]	
FYE 9/30	**Pro Forma 8% HOT Revenue**	**Est. Growth Rate**	**Principal**	**Interest**	**Total**	**Residual Revenue**	**D/S Coverage**	**FYE 9/30**
2014	$ **6,300,000** [1]		$ 710,000	$ 1,104,048	$ 1,814,048	$ 4,485,952	3.47 X	2014
2015	6,489,000	3.00%	510,000	1,304,481	1,814,481	4,674,519	3.58 X	2015
2016	6,683,670	3.00%	525,000	1,293,006	1,818,006	4,865,664	3.68 X	2016
2017	6,884,180	3.00%	535,000	1,281,194	1,816,194	5,067,986	3.79 X	2017
2018	7,090,706	3.00%	550,000	1,266,481	1,816,481	5,274,224	3.90 X	2018
2019	7,303,427	3.00%	565,000	1,248,606	1,813,606	5,489,820	4.03 X	2019
2020	7,522,529	3.00%	585,000	1,230,244	1,815,244	5,707,286	4.14 X	2020
2021	7,748,205	3.00%	605,000	1,211,231	1,816,231	5,931,974	4.27 X	2021
2022	7,980,652	3.00%	625,000	1,190,056	1,815,056	6,165,595	4.40 X	2022
2023	8,220,071	3.00%	650,000	1,166,619	1,816,619	6,403,452	4.52 X	2023
2024	8,220,071	0.00%	675,000	1,141,431	1,816,431	6,403,640	4.53 X	2024
2025	8,220,071	0.00%	705,000	1,112,744	1,817,744	6,402,327	4.52 X	2025
2026	8,220,071	0.00%	735,000	1,081,900	1,816,900	6,403,171	4.52 X	2026
2027	8,220,071	0.00%	765,000	1,048,825	1,813,825	6,406,246	4.53 X	2027
2028	8,220,071	0.00%	805,000	1,013,444	1,818,444	6,401,627	4.52 X	2028
2029	8,220,071	0.00%	840,000	975,206	1,815,206	6,404,865	4.53 X	2029
2030	8,220,071	0.00%	880,000	934,256	1,814,256	6,405,815	4.53 X	2030
2031	8,220,071	0.00%	930,000	888,056	1,818,056	6,402,015	4.52 X	2031
2032	8,220,071	0.00%	975,000	839,231	1,814,231	6,405,840	4.53 X	2032
2033	8,220,071	0.00%	1,030,000	788,044	1,818,044	6,402,027	4.52 X	2033
2034	8,220,071	0.00%	1,080,000	733,969	1,813,969	6,406,102	4.53 X	2034
2035	8,220,071	0.00%	1,140,000	677,269	1,817,269	6,402,802	4.52 X	2035
2036	8,220,071	0.00%	1,200,000	617,419	1,817,419	6,402,652	4.52 X	2036
2037	8,220,071	0.00%	1,260,000	554,419	1,814,419	6,405,652	4.53 X	2037
2038	8,220,071	0.00%	1,330,000	488,269	1,818,269	6,401,802	4.52 X	2038
2039	8,220,071	0.00%	1,400,000	418,444	1,818,444	6,401,627	4.52 X	2039
2040	8,220,071	0.00%	1,475,000	343,194	1,818,194	6,401,877	4.52 X	2040
2041	8,220,071	0.00%	1,550,000	263,913	1,813,913	6,406,159	4.53 X	2041
2042	8,220,071	0.00%	1,635,000	180,600	1,815,600	6,404,471	4.53 X	2042
2043	8,220,071	0.00%	1,725,000	92,719	1,817,719	6,402,352	4.52 X	2043
Total	$ 236,623,861		$ 27,995,000	$ 26,489,317	$ 54,484,317	$ 182,139,544		

[1] Estimated 2014 HOT revenue. Budgeted 2014 HOT equals $6,167,600.

[2] Assumes current market tax-exempt insured rates (7/12/13) plus about 25 bps with "A"/"A2" underlying ratings.

South Padre Island Convention Centre Expansion Project ***DRAFT- FOR DISCUSSION PURPOSES ONLY***

Revenue and Coverage Projections: No Growth

Hotel Occupancy Tax Revenue Bonds, Series 2013

Delivery Date:	10/30/2013
Est. Bond Proceeds:	$ 27,630,374
Project Fund Deposit:	$ 25,077,645
DS Reserve Fund Deposit:	$ 1,818,444
Est. Total Costs of Issuance:	$ 734,285
Est. Interest Rate (2):	5.22%

	[A]				[B]	[A]-[B]	[B] / [A]	
FYE 9/30	**Pro Forma 8% HOT Revenue**	**Est. Growth Rate**	**Principal**	**Interest**	**Total**	**Residual Revenue**	**D/S Coverage**	**FYE 9/30**
2014	$ **6,300,000** (1)		$ 710,000	$ 1,104,048	$ 1,814,048	$ 4,485,952	3.47 X	2014
2015	6,300,000	0.00%	510,000	1,304,481	1,814,481	4,485,519	3.47 X	2015
2016	6,300,000	0.00%	525,000	1,293,006	1,818,006	4,481,994	3.47 X	2016
2017	6,300,000	0.00%	535,000	1,281,194	1,816,194	4,483,806	3.47 X	2017
2018	6,300,000	0.00%	550,000	1,266,481	1,816,481	4,483,519	3.47 X	2018
2019	6,300,000	0.00%	565,000	1,248,606	1,813,606	4,486,394	3.47 X	2019
2020	6,300,000	0.00%	585,000	1,230,244	1,815,244	4,484,756	3.47 X	2020
2021	6,300,000	0.00%	605,000	1,211,231	1,816,231	4,483,769	3.47 X	2021
2022	6,300,000	0.00%	625,000	1,190,056	1,815,056	4,484,944	3.47 X	2022
2023	6,300,000	0.00%	650,000	1,166,619	1,816,619	4,483,381	3.47 X	2023
2024	6,300,000	0.00%	675,000	1,141,431	1,816,431	4,483,569	3.47 X	2024
2025	6,300,000	0.00%	705,000	1,112,744	1,817,744	4,482,256	3.47 X	2025
2026	6,300,000	0.00%	735,000	1,081,900	1,816,900	4,483,100	3.47 X	2026
2027	6,300,000	0.00%	765,000	1,048,825	1,813,825	4,486,175	3.47 X	2027
2028	6,300,000	0.00%	805,000	1,013,444	1,818,444	4,481,556	3.46 X	2028
2029	6,300,000	0.00%	840,000	975,206	1,815,206	4,484,794	3.47 X	2029
2030	6,300,000	0.00%	880,000	934,256	1,814,256	4,485,744	3.47 X	2030
2031	6,300,000	0.00%	930,000	888,056	1,818,056	4,481,944	3.47 X	2031
2032	6,300,000	0.00%	975,000	839,231	1,814,231	4,485,769	3.47 X	2032
2033	6,300,000	0.00%	1,030,000	788,044	1,818,044	4,481,956	3.47 X	2033
2034	6,300,000	0.00%	1,080,000	733,969	1,813,969	4,486,031	3.47 X	2034
2035	6,300,000	0.00%	1,140,000	677,269	1,817,269	4,482,731	3.47 X	2035
2036	6,300,000	0.00%	1,200,000	617,419	1,817,419	4,482,581	3.47 X	2036
2037	6,300,000	0.00%	1,260,000	554,419	1,814,419	4,485,581	3.47 X	2037
2038	6,300,000	0.00%	1,330,000	488,269	1,818,269	4,481,731	3.46 X	2038
2039	6,300,000	0.00%	1,400,000	418,444	1,818,444	4,481,556	3.46 X	2039
2040	6,300,000	0.00%	1,475,000	343,194	1,818,194	4,481,806	3.46 X	2040
2041	6,300,000	0.00%	1,550,000	263,913	1,813,913	4,486,088	3.47 X	2041
2042	6,300,000	0.00%	1,635,000	180,600	1,815,600	4,484,400	3.47 X	2042
2043	6,300,000	0.00%	1,725,000	92,719	1,817,719	4,482,281	3.47 X	2043
Total	$ 189,000,000		$ 27,995,000	$ 26,489,317	$ 54,484,317	$ 134,515,683		

(1) Estimated 2014 HOT revenue. Budgeted 2014 HOT equals $6,167,600.

(2) Assumes current market tax-exempt insured rates (7/12/13) plus about 25 bps with "A"/"A2" underlying ratings.

South Padre Island Convention Centre Expansion Project

Revenue and Coverage Projections: Moderate Growth

Hotel Occupancy Tax Revenue Bonds, Series 2013

DRAFT- FOR DISCUSSION PURPOSES ONLY

Delivery Date:	10/30/2013
Est. Bond Proceeds:	$ 24,539,742
Project Fund Deposit:	$ 22,200,345
DS Reserve Fund Deposit:	$ 1,722,763
Est. Total Costs of Issuance:	$ 616,634
Est. Interest Rate [2]:	5.02%

FYE 9/30	[A] Pro Forma 8% HOT Revenue	Est. Growth Rate	Principal	Interest	[B] Total	[A]-[B] Residual Revenue	[B] / [A] D/S Coverage	FYE 9/30
2014	$ **6,300,000** [1]		$ 795,000	$ 926,845	$ 1,721,845	$ 4,578,155	3.66 X	2014
2015	6,489,000	3.00%	630,000	1,090,631	1,720,631	4,768,369	3.77 X	2015
2016	6,683,670	3.00%	645,000	1,076,456	1,721,456	4,962,214	3.88 X	2016
2017	6,884,180	3.00%	660,000	1,061,944	1,721,944	5,162,236	4.00 X	2017
2018	7,090,706	3.00%	675,000	1,043,794	1,718,794	5,371,912	4.13 X	2018
2019	7,303,427	3.00%	700,000	1,021,856	1,721,856	5,581,570	4.24 X	2019
2020	7,522,529	3.00%	720,000	999,106	1,719,106	5,803,423	4.38 X	2020
2021	7,748,205	3.00%	745,000	975,706	1,720,706	6,027,499	4.50 X	2021
2022	7,980,652	3.00%	770,000	949,631	1,719,631	6,261,020	4.64 X	2022
2023	8,220,071	3.00%	800,000	920,756	1,720,756	6,499,315	4.78 X	2023
2024	8,220,071	0.00%	830,000	889,756	1,719,756	6,500,315	4.78 X	2024
2025	8,220,071	0.00%	865,000	854,481	1,719,481	6,500,590	4.78 X	2025
2026	8,220,071	0.00%	905,000	816,638	1,721,638	6,498,434	4.77 X	2026
2027	8,220,071	0.00%	945,000	775,913	1,720,913	6,499,159	4.78 X	2027
2028	8,220,071	0.00%	990,000	732,206	1,722,206	6,497,865	4.77 X	2028
2029	8,220,071	0.00%	1,035,000	685,181	1,720,181	6,499,890	4.78 X	2029
2030	8,220,071	0.00%	1,085,000	634,725	1,719,725	6,500,346	4.78 X	2030
2031	8,220,071	0.00%	1,145,000	577,763	1,722,763	6,497,309	4.77 X	2031
2032	8,220,071	0.00%	1,200,000	517,650	1,717,650	6,502,421	4.79 X	2032
2033	8,220,071	0.00%	1,265,000	454,650	1,719,650	6,500,421	4.78 X	2033
2034	8,220,071	0.00%	1,330,000	388,238	1,718,238	6,501,834	4.78 X	2034
2035	8,220,071	0.00%	1,400,000	318,413	1,718,413	6,501,659	4.78 X	2035
2036	8,220,071	0.00%	1,475,000	244,913	1,719,913	6,500,159	4.78 X	2036
2037	8,220,071	0.00%	1,555,000	167,475	1,722,475	6,497,596	4.77 X	2037
2038	8,220,071	0.00%	1,635,000	85,838	1,720,838	6,499,234	4.78 X	2038
2039	8,220,071	0.00%	-	-	-	8,220,071		2039
2040	8,220,071	0.00%	-	-	-	8,220,071		2040
2041	8,220,071	0.00%	-	-	-	8,220,071		2041
2042	8,220,071	0.00%	-	-	-	8,220,071		2042
2043	8,220,071	0.00%	-	-	-	8,220,071		2043
Total	$ 236,623,861		$ 24,800,000	$ 18,210,564	$ 43,010,564	$ 193,613,297		

[1] Estimated 2014 HOT revenue. Budgeted 2014 HOT equals $6,167,600.

[2] Assumes current market tax-exempt insured rates (7/12/13) plus about 25 bps with "A"/"A2" underlying ratings.

South Padre Island Convention Centre Expansion Project

DRAFT- FOR DISCUSSION PURPOSES ONLY

Revenue and Coverage Projections: No Growth

Hotel Occupancy Tax Revenue Bonds, Series 2013

Delivery Date:	10/30/2013
Est. Bond Proceeds:	$ 24,539,742
Project Fund Deposit:	$ 22,200,345
DS Reserve Fund Deposit:	$ 1,722,763
Est. Total Costs of Issuance:	$ 616,634
Est. Interest Rate [(2)]:	5.02%

FYE 9/30	[A] Pro Forma 8% HOT Revenue	Est. Growth Rate	Principal	Interest	[B] Total	[A]-[B] Residual Revenue	[B] / [A] D/S Coverage	FYE 9/30
2014	$ **6,300,000** [(1)]		$ 795,000	$ 926,845	$ 1,721,845	$ 4,578,155	3.66 X	2014
2015	6,300,000	0.00%	630,000	1,090,631	1,720,631	4,579,369	3.66 X	2015
2016	6,300,000	0.00%	645,000	1,076,456	1,721,456	4,578,544	3.66 X	2016
2017	6,300,000	0.00%	660,000	1,061,944	1,721,944	4,578,056	3.66 X	2017
2018	6,300,000	0.00%	675,000	1,043,794	1,718,794	4,581,206	3.67 X	2018
2019	6,300,000	0.00%	700,000	1,021,856	1,721,856	4,578,144	3.66 X	2019
2020	6,300,000	0.00%	720,000	999,106	1,719,106	4,580,894	3.66 X	2020
2021	6,300,000	0.00%	745,000	975,706	1,720,706	4,579,294	3.66 X	2021
2022	6,300,000	0.00%	770,000	949,631	1,719,631	4,580,369	3.66 X	2022
2023	6,300,000	0.00%	800,000	920,756	1,720,756	4,579,244	3.66 X	2023
2024	6,300,000	0.00%	830,000	889,756	1,719,756	4,580,244	3.66 X	2024
2025	6,300,000	0.00%	865,000	854,481	1,719,481	4,580,519	3.66 X	2025
2026	6,300,000	0.00%	905,000	816,638	1,721,638	4,578,363	3.66 X	2026
2027	6,300,000	0.00%	945,000	775,913	1,720,913	4,579,088	3.66 X	2027
2028	6,300,000	0.00%	990,000	732,206	1,722,206	4,577,794	3.66 X	2028
2029	6,300,000	0.00%	1,035,000	685,181	1,720,181	4,579,819	3.66 X	2029
2030	6,300,000	0.00%	1,085,000	634,725	1,719,725	4,580,275	3.66 X	2030
2031	6,300,000	0.00%	1,145,000	577,763	1,722,763	4,577,238	3.66 X	2031
2032	6,300,000	0.00%	1,200,000	517,650	1,717,650	4,582,350	3.67 X	2032
2033	6,300,000	0.00%	1,265,000	454,650	1,719,650	4,580,350	3.66 X	2033
2034	6,300,000	0.00%	1,330,000	388,238	1,718,238	4,581,763	3.67 X	2034
2035	6,300,000	0.00%	1,400,000	318,413	1,718,413	4,581,588	3.67 X	2035
2036	6,300,000	0.00%	1,475,000	244,913	1,719,913	4,580,088	3.66 X	2036
2037	6,300,000	0.00%	1,555,000	167,475	1,722,475	4,577,525	3.66 X	2037
2038	6,300,000	0.00%	1,635,000	85,838	1,720,838	4,579,163	3.66 X	2038
2039	6,300,000	0.00%	-	-	-	6,300,000		2039
2040	6,300,000	0.00%	-	-	-	6,300,000		2040
2041	6,300,000	0.00%	-	-	-	6,300,000		2041
2042	6,300,000	0.00%	-	-	-	6,300,000		2042
2043	6,300,000	0.00%	-	-	-	6,300,000		2043
Total	$ 189,000,000		$ 24,800,000	$ 18,210,564	$ 43,010,564	$ 145,989,436		

(1) Estimated 2014 HOT revenue. Budgeted 2014 HOT equals $6,167,600.

(2) Assumes current market tax-exempt insured rates (7/12/13) plus about 25 bps with "A"/"A2" underlying ratings.

South Padre Island Convention Centre Expansion Project
Revenue and Coverage Projections: Moderate Growth
Hotel Occupancy Tax Revenue Bonds, Series 2013

DRAFT- FOR DISCUSSION PURPOSES ONLY

Delivery Date:	10/30/2013
Est. Bond Proceeds:	$ 16,173,494
Project Fund Deposit:	$ 14,592,865
DS Reserve Fund Deposit:	$ 1,136,444
Est. Total Costs of Issuance:	$ 444,185
Est. Interest Rate [2]:	5.02%

	[A]				[B]	[A]-[B]	[B] / [A]	
FYE 9/30	Pro Forma 8% HOT Revenue	Est. Growth Rate	Principal	Interest	Total	Residual Revenue	D/S Coverage	FYE 9/30
2014	$ **6,300,000** [1]		$ 525,000	$ 610,852	$ 1,135,852	$ 5,164,148	5.55 X	2014
2015	6,489,000	3.00%	415,000	718,775	1,133,775	5,355,225	5.72 X	2015
2016	6,683,670	3.00%	425,000	709,438	1,134,438	5,549,233	5.89 X	2016
2017	6,884,180	3.00%	435,000	699,875	1,134,875	5,749,305	6.07 X	2017
2018	7,090,706	3.00%	445,000	687,913	1,132,913	5,957,793	6.26 X	2018
2019	7,303,427	3.00%	460,000	673,450	1,133,450	6,169,977	6.44 X	2019
2020	7,522,529	3.00%	475,000	658,500	1,133,500	6,389,029	6.64 X	2020
2021	7,748,205	3.00%	490,000	643,063	1,133,063	6,615,143	6.84 X	2021
2022	7,980,652	3.00%	510,000	625,913	1,135,913	6,844,739	7.03 X	2022
2023	8,220,071	3.00%	525,000	606,788	1,131,788	7,088,284	7.26 X	2023
2024	8,220,071	0.00%	550,000	586,444	1,136,444	7,083,627	7.23 X	2024
2025	8,220,071	0.00%	570,000	563,069	1,133,069	7,087,002	7.25 X	2025
2026	8,220,071	0.00%	595,000	538,131	1,133,131	7,086,940	7.25 X	2026
2027	8,220,071	0.00%	625,000	511,356	1,136,356	7,083,715	7.23 X	2027
2028	8,220,071	0.00%	650,000	482,450	1,132,450	7,087,621	7.26 X	2028
2029	8,220,071	0.00%	680,000	451,575	1,131,575	7,088,496	7.26 X	2029
2030	8,220,071	0.00%	715,000	418,425	1,133,425	7,086,646	7.25 X	2030
2031	8,220,071	0.00%	755,000	380,888	1,135,888	7,084,184	7.24 X	2031
2032	8,220,071	0.00%	790,000	341,250	1,131,250	7,088,821	7.27 X	2032
2033	8,220,071	0.00%	835,000	299,775	1,134,775	7,085,296	7.24 X	2033
2034	8,220,071	0.00%	880,000	255,938	1,135,938	7,084,134	7.24 X	2034
2035	8,220,071	0.00%	925,000	209,738	1,134,738	7,085,334	7.24 X	2035
2036	8,220,071	0.00%	970,000	161,175	1,131,175	7,088,896	7.27 X	2036
2037	8,220,071	0.00%	1,025,000	110,250	1,135,250	7,084,821	7.24 X	2037
2038	8,220,071	0.00%	1,075,000	56,438	1,131,438	7,088,634	7.27 X	2038
2039	8,220,071	0.00%	-	-	-	8,220,071		2039
2040	8,220,071	0.00%	-	-	-	8,220,071		2040
2041	8,220,071	0.00%	-	-	-	8,220,071		2041
2042	8,220,071	0.00%	-	-	-	8,220,071		2042
2043	8,220,071	0.00%	-	-	-	8,220,071		2043
Total	$ 236,623,861		$ 16,345,000	$ 12,001,465	$ 28,346,465	$ 208,277,396		

[1] Estimated 2014 HOT revenue. Budgeted 2014 HOT equals $6,167,600.
[2] Assumes current market tax-exempt insured rates (7/12/13) plus about 25 bps with "A"/"A2" underlying ratings.

South Padre Island Convention Centre Expansion Project *DRAFT- FOR DISCUSSION PURPOSES ONLY*

Revenue and Coverage Projections: No Growth

Hotel Occupancy Tax Revenue Bonds, Series 2013

	Delivery Date:				**10/30/2013**				
	Est. Bond Proceeds:				**$ 16,173,494**				
	Project Fund Deposit:				**$ 14,592,865**				
	DS Reserve Fund Deposit:				**$ 1,136,444**				
	Est. Total Costs of Issuance:				**$ 444,185**				
	Est. Interest Rate (2):				**5.02%**				

	[A]				[B]	[A]-[B]	[B] / [A]	
FYE 9/30	**Pro Forma 8% HOT Revenue**	**Est. Growth Rate**	**Principal**	**Interest**	**Total**	**Residual Revenue**	**D/S Coverage**	**FYE 9/30**
2014	**$ 6,300,000** (1)		$ 525,000	$ 610,852	$ 1,135,852	$ 5,164,148	5.55 X	2014
2015	6,300,000	0.00%	415,000	718,775	1,133,775	5,166,225	5.56 X	2015
2016	6,300,000	0.00%	425,000	709,438	1,134,438	5,165,563	5.55 X	2016
2017	6,300,000	0.00%	435,000	699,875	1,134,875	5,165,125	5.55 X	2017
2018	6,300,000	0.00%	445,000	687,913	1,132,913	5,167,088	5.56 X	2018
2019	6,300,000	0.00%	460,000	673,450	1,133,450	5,166,550	5.56 X	2019
2020	6,300,000	0.00%	475,000	658,500	1,133,500	5,166,500	5.56 X	2020
2021	6,300,000	0.00%	490,000	643,063	1,133,063	5,166,938	5.56 X	2021
2022	6,300,000	0.00%	510,000	625,913	1,135,913	5,164,088	5.55 X	2022
2023	6,300,000	0.00%	525,000	606,788	1,131,788	5,168,213	5.57 X	2023
2024	6,300,000	0.00%	550,000	586,444	1,136,444	5,163,556	5.54 X	2024
2025	6,300,000	0.00%	570,000	563,069	1,133,069	5,166,931	5.56 X	2025
2026	6,300,000	0.00%	595,000	538,131	1,133,131	5,166,869	5.56 X	2026
2027	6,300,000	0.00%	625,000	511,356	1,136,356	5,163,644	5.54 X	2027
2028	6,300,000	0.00%	650,000	482,450	1,132,450	5,167,550	5.56 X	2028
2029	6,300,000	0.00%	680,000	451,575	1,131,575	5,168,425	5.57 X	2029
2030	6,300,000	0.00%	715,000	418,425	1,133,425	5,166,575	5.56 X	2030
2031	6,300,000	0.00%	755,000	380,888	1,135,888	5,164,113	5.55 X	2031
2032	6,300,000	0.00%	790,000	341,250	1,131,250	5,168,750	5.57 X	2032
2033	6,300,000	0.00%	835,000	299,775	1,134,775	5,165,225	5.55 X	2033
2034	6,300,000	0.00%	880,000	255,938	1,135,938	5,164,063	5.55 X	2034
2035	6,300,000	0.00%	925,000	209,738	1,134,738	5,165,263	5.55 X	2035
2036	6,300,000	0.00%	970,000	161,175	1,131,175	5,168,825	5.57 X	2036
2037	6,300,000	0.00%	1,025,000	110,250	1,135,250	5,164,750	5.55 X	2037
2038	6,300,000	0.00%	1,075,000	56,438	1,131,438	5,168,563	5.57 X	2038
2039	6,300,000	0.00%	-	-	-	6,300,000		2039
2040	6,300,000	0.00%	-	-	-	6,300,000		2040
2041	6,300,000	0.00%	-	-	-	6,300,000		2041
2042	6,300,000	0.00%	-	-	-	6,300,000		2042
2043	6,300,000	0.00%	-	-	-	6,300,000		2043
Total	$ 189,000,000		$ 16,345,000	$ 12,001,465	$ 28,346,465	$ 160,653,535		

(1) Estimated 2014 HOT revenue. Budgeted 2014 HOT equals $6,167,600.

(2) Assumes current market tax-exempt insured rates (7/12/13) plus about 25 bps with "A"/"A2" underlying ratings.

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