



Texas TIF/TIRZ Bonds Market Overview

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CDFA/TEDC Inside Financing



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Texas TIF/TIRZ Bonds

- 75 issues since 1988
- \$738 million
- 31 issued with city wide tax support
- 44 issued as stand alone increment revenue bonds

TIF/TIRZ Revenue Bond Issuers

- Dallas
- Dupre
- Falcon's Lair
- Houston
- Katy
- Lone Star LGC
- Mission
- Missouri City
- North Padre Island
- Pearland
- Temple

Market Evolution

- Non-Investment Grade
- Investment Grade
- Radian “AA” Insured
- “AAA” Insured
- “AAA” Insured with Reserve Surety and “A” Category Underlying

Key Credit Criteria

- Coverage (based on appraisal district values of what is on the ground):
 - 1.10 times = non-investment grade/retail
 - 1.25 times = investment grade/ “AA” insured
 - 1.40 times = “AAA” insured
- Reserve Fund: fully funded
- Flow of Funds: capture 12 months of debt service

Key Credit Criteria Continued

- Size: Generally a minimum of 200 acres to achieve investment grade unless major story like downtown Houston
- Diversification: Top 10 taxpayers less than 30% of total taxable value and less than incremental value. Diversification by sector also helps.

Key Credit Criteria Continued

- Leverage Ratio: Incremental value divided by total value. At least 30% for investment grade.
- City Sponsorship: Even though direct city support is not pledged, if projects are more city oriented versus developer oriented, viewed differently.
- Level of Ultimate Development
- Future bonds

Contact Information



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