

VOTER INFORMATION DOCUMENT¹
CITY OF BAYTOWN, TEXAS – PROPOSITION D

Ballot Language – City of Baytown, Texas Proposition D (“Proposition D”)		
THIS IS A TAX INCREASE		
<input type="checkbox"/>	FOR) The issuance of \$4,250,000 of general obligation bonds for the design, construction, acquisition and improvement of city fire stations, including the design of Fire Station No. 4 and the acquisition of land in connection therewith, and the levying of a tax sufficient to pay the principal of and interest on the bonds and the costs of any credit agreements executed in connection with the bonds.
<input type="checkbox"/>	AGAINST)

Information Regarding the Debt Obligations (Bonds) Proposed Under Proposition D		
Principal Amount of the Debt Obligations Proposed Under Proposition D	Estimated Interest on the Debt Obligations Proposed Under Proposition D ²	Estimated Combined Principal and Interest Required to Pay the Debt Obligations Proposed Under Proposition D on Time and in Full
\$4,250,000	\$3,205,611	\$7,455,611

Information Regarding the Outstanding Debt Obligations (Bonds) of the City as of August 14, 2025 ³		
Principal Amount of the Outstanding Debt Obligations of the City ⁴	Estimated Remaining Interest on the Outstanding Debt Obligations of the City ⁴	Estimated Combined Principal and Interest Required to Pay the Outstanding Debt Obligations of the City on Time and in Full ⁴
\$112,288,186	\$38,072,303	\$150,360,489

Information Regarding the Estimated Maximum Annual Increase in the Amount of Ad Valorem Taxes on a Residence Homestead with an Appraised Value of \$100,000 to Pay the Debt Obligations (Bonds) Proposed Under Proposition D
If the bonds authorized by Proposition D are approved, based on the assumptions set forth under “ <i>Assumptions Utilized in Calculating the Estimated Tax Impact</i> ” below, the City estimates that the maximum annual increase in the amount of ad valorem taxes on a residence homestead with an appraised value of \$100,000 to pay the bonds proposed under Proposition D would be approximately \$4.08.

Assumptions Utilized in Calculating the Estimated Tax Impact

If approved by the voters, the City intends to issue the bonds authorized by Proposition D in accordance with a schedule to be determined by the City Council based upon a number of factors, including, but not limited to, the then-current needs of the City, demographic changes, prevailing market conditions, then-current market interest rates, availability of other revenue sources to pay debt service, assessed valuations of property in the City, and tax collection percentages. The estimated tax impact is derived, in part, from projections obtained from the City’s financial advisor. This voter information document is for Proposition D. For information on other propositions being considered at the election, please see the separate voter information documents prepared for those propositions. Actual results may vary from the assumptions used in calculating the estimated tax impact. For the purposes of estimating the maximum annual increase in taxes identified in this table, the City utilized the following major assumptions:

- (1) The City has assumed the issuance from time to time of separate series of bonds for the purposes identified in Proposition D. For the purposes of these projections, it has been assumed that the bonds issued under Proposition D would be amortized as shown

¹ This Voter Information Document is provided in accordance with Section 1251.052 of the Texas Government Code. It is provided solely in satisfaction of the statutory requirements. The information contained in this Voter Information Document is based on certain assumptions, and actual results may vary from such assumptions. The Voter Information Document is not intended to, and does not, create a contract with the voters.

² The City has assumed the bonds will bear interest at an estimated rate of 5.00% based on current market conditions and the amortization schedule described in the Assumptions Utilized in Calculating the Estimated Tax Impact. The interest payable on the bonds may differ based on market rates at the time the bonds are issued.

³ The information contained in this table reflects the City’s outstanding debt obligations as of August 14, 2025, the date the City Council approved an ordinance calling the election. The information also includes the portion of the City’s Combination Tax and Revenue Certificates of Obligation, Series 2025 that are not self-supporting from the revenues of the City’s water and sewer system.

⁴ The City treats a portion of its outstanding debt as self-supporting from sources other than ad valorem taxes. Such sources include water and sewer revenues, revenues from the aquatics system and stormwater system, and payments from the City’s Tax Increment Reinvestment Zone Number One, Municipal Development District, and Fire Control Prevention and Emergency Services District. Pursuant to Section 1251.051 of the Texas Government Code, the principal and interest amounts included in this table do not include public securities that are treated by the City as self-supporting.

in the following schedule. The following is an estimated pro-forma amortization schedule based on these assumptions. It shows the City's currently outstanding bonds, obligations in process of issuance, and bonds authorized under Proposition D:

Fiscal Year Ending (9/30)	Existing Debt Service Requirements	Estimated S2025 COs, Selling 8/25*†	Estimated Current Debt Service Requirements*	Proposition D - Estimated Debt Service Requirements		Total Estimated Debt Service Requirements*
				Principal*	Interest*	
2025	\$14,378,921	-	\$14,378,921	-	-	\$14,378,921
2026	13,619,043	\$3,511,503	17,130,546	-	-	17,130,546
2027	12,627,566	1,145,575	13,773,141	\$87,000	\$73,519	13,933,661
2028	10,035,718	1,142,575	11,178,293	105,000	55,525	11,338,818
2029	9,111,178	1,143,450	10,254,628	124,000	231,467	10,610,095
2030	9,110,249	1,143,075	10,253,324	163,000	192,625	10,608,949
2031	8,852,276	1,141,450	9,993,726	171,000	184,275	10,349,001
2032	8,098,228	1,143,450	9,241,678	180,000	175,500	9,597,178
2033	7,550,386	1,143,950	8,694,336	190,000	166,250	9,050,586
2034	6,530,560	1,142,950	7,673,510	199,000	156,525	8,029,035
2035	5,920,727	1,145,325	7,066,052	209,000	146,325	7,421,377
2036	5,111,213	1,141,075	6,252,288	219,000	135,625	6,606,913
2037	5,108,263	1,145,075	6,253,338	67,000	128,475	6,448,813
2038	5,114,366	1,142,200	6,256,566	70,000	125,050	6,451,616
2039	5,108,184	1,142,450	6,250,634	74,000	121,450	6,446,084
2040	5,114,294	1,145,575	6,259,869	77,000	117,675	6,454,544
2041	2,944,172	1,145,319	4,089,491	81,000	113,725	4,284,216
2042	2,944,516	1,141,625	4,086,141	86,000	109,550	4,281,691
2043	1,110,000	1,145,306	2,255,306	90,000	105,150	2,450,456
2044	1,112,125	1,141,231	2,253,356	95,000	100,525	2,448,881
2045	-	1,144,269	1,144,269	99,000	95,675	1,338,944
2046	-	-	-	104,000	90,600	194,600
2047	-	-	-	110,000	85,250	195,250
2048	-	-	-	115,000	79,625	194,625
2049	-	-	-	121,000	73,725	194,725
2050	-	-	-	128,000	67,500	195,500
2051	-	-	-	134,000	60,950	194,950
2052	-	-	-	141,000	54,075	195,075
2053	-	-	-	148,000	46,850	194,850
2054	-	-	-	156,000	39,250	195,250
2055	-	-	-	164,000	31,250	195,250
2056	-	-	-	172,000	22,850	194,850
2057	-	-	-	181,000	14,025	195,025
2058	-	-	-	190,000	4,750	194,750
	\$ 139,501,982	\$25,237,428	\$164,739,410	\$4,250,000	\$3,205,611	\$140,685,555

* Preliminary, subject to change.

† Estimated debt service on the portion of the City's proposed Combination Tax and Revenue Certificates of Obligation, Series 2025 that are not self-supporting.

(2) The City has assumed the bonds would bear interest at an estimated rate of 5.00%.

(3) The City has assumed growth in the taxable assessed value within the City of 6% per year for tax year 2026 through tax year 2030 and no additional growth following tax year 2030 for the purposes of this analysis. The City has assumed a tax collection percentage of 98%.

(4) In calculating the tax impact on a residence homestead, the City has not applied any homestead exemptions to the assessed valuation, resulting in a taxable assessed valuation of \$100,000 on a residence homestead with an appraised value of \$100,000. A homeowner may qualify for exemptions not considered in calculating the tax impact, such as homestead exemptions and exemptions for the elderly and disabled.