

VOTER INFORMATION DOCUMENT¹
CITY OF BAYTOWN, TEXAS – PROPOSITION A

Ballot Language – City of Baytown, Texas Proposition A (“Proposition A”)		
THIS IS A TAX INCREASE		
<input type="checkbox"/>	FOR) The issuance of \$69,865,000 of general obligation bonds for the design, construction, acquisition, improvement and equipment of major thoroughfares, including sidewalks, streetlighting, traffic signals,
<input type="checkbox"/>	AGAINST) and related storm drainage and utility improvements, and the acquisition of easements and rights-of-way 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.

Information Regarding the Debt Obligations (Bonds) Proposed Under Proposition A		
Principal Amount of the Debt Obligations Proposed Under Proposition A	Estimated Interest on the Debt Obligations Proposed Under Proposition A ²	Estimated Combined Principal and Interest Required to Pay the Debt Obligations Proposed Under Proposition A on Time and in Full
\$69,865,000	\$66,406,189	\$136,271,189

Information Regarding the Outstanding Debt Obligations (Bonds) of the City as of August 14, 2025³		
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 A
If the bonds authorized by Proposition A 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 A would be approximately \$55.10.

Assumptions Utilized in Calculating the Estimated Tax Impact

If approved by the voters, the City intends to issue the bonds authorized by Proposition A 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 A. 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 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.

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

Fiscal Year Ending (9/30)	Existing Debt Service Requirements	Estimated S2025 COs, Selling 8/25*†	Estimated Current Debt Service Requirements*	Proposition A - 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	\$ 46,000	\$604,406	14,423,547
2028	10,035,718	1,142,575	11,178,293	300,000	2,389,101	13,867,394
2029	9,111,178	1,143,450	10,254,628	784,000	3,757,257	14,795,886
2030	9,110,249	1,143,075	10,253,324	1,135,000	3,408,375	14,796,699
2031	8,852,276	1,141,450	9,993,726	1,193,000	3,350,175	14,536,901
2032	8,098,228	1,143,450	9,241,678	1,254,000	3,289,000	13,784,678
2033	7,550,386	1,143,950	8,694,336	1,318,000	3,224,700	13,237,036
2034	6,530,560	1,142,950	7,673,510	1,386,000	3,157,100	12,216,610
2035	5,920,727	1,145,325	7,066,052	1,456,000	3,086,050	11,608,102
2036	5,111,213	1,141,075	6,252,288	1,531,000	3,011,375	10,794,663
2037	5,108,263	1,145,075	6,253,338	1,610,000	2,932,850	10,796,188
2038	5,114,366	1,142,200	6,256,566	1,692,000	2,850,300	10,798,866
2039	5,108,184	1,142,450	6,250,634	1,779,000	2,763,525	10,793,159
2040	5,114,294	1,145,575	6,259,869	1,870,000	2,672,300	10,802,169
2041	2,944,172	1,145,319	4,089,491	1,967,000	2,576,375	8,632,866
2042	2,944,516	1,141,625	4,086,141	2,066,000	2,475,550	8,627,691
2043	1,110,000	1,145,306	2,255,306	2,173,000	2,369,575	6,797,881
2044	1,112,125	1,141,231	2,253,356	2,284,000	2,258,150	6,795,506
2045	-	1,144,269	1,144,269	2,401,000	2,141,025	5,686,294
2046	-	-	-	2,524,000	2,017,900	4,541,900
2047	-	-	-	2,654,000	1,888,450	4,542,450
2048	-	-	-	2,790,000	1,752,350	4,542,350
2049	-	-	-	2,933,000	1,609,275	4,542,275
2050	-	-	-	3,084,000	1,458,850	4,542,850
2051	-	-	-	3,241,000	1,300,725	4,541,725
2052	-	-	-	3,408,000	1,134,500	4,542,500
2053	-	-	-	3,582,000	959,750	4,541,750
2054	-	-	-	3,766,000	776,050	4,542,050
2055	-	-	-	3,959,000	582,925	4,541,925
2056	-	-	-	4,162,000	379,900	4,541,900
2057	-	-	-	3,709,000	183,125	3,892,125
2058	-	-	-	1,808,000	45,200	1,853,200
	\$ 139,501,982	\$25,237,428	\$164,739,410	\$69,865,000	\$66,406,189	\$269,501,133

* 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.