



STATE BOND COMMISSION

April 24, 2019

Local Political Subdivisions - Loans

ANALYSIS SUMMARY

APPLICATION NO: L19-070
ENTITY: Cameron Parish, Fire Protection District No. 10
TYPE OF REQUEST: \$610,000 Loan
ANALYST: Allison Roy

PARAMETERS:

Not exceeding \$610,000 Promissory Note, non-interest bearing, not exceeding 4 years, provide funding to offset budgetary shortfall.

The District has never requested approval of a budgetary loan. However, the District has been running a deficit in Net Income for several years. Staff has been informed that this is due to the Parish not collecting the full assessed value in ad valorem taxes as to not burden the low population in the District after Hurricane Rita.

The Parish has agreed to lend the District \$610,000 with 0% interest for 4 years. The loan will be evidenced by a Promissory Note in which upon execution the District promises to repay the Parish within 4 years the principal sum of \$610,000. The Promissory Note will bear interest at the rate of 10% on any and all outstanding principal not repaid by the 4 year maturity. Staff has been informed the District plans to repay the Police Jury \$155,000 the first and second year, then \$150,000 the third and fourth year.

Tax Avails	\$	1,386,123
Outstanding Debt:	\$	-
Maximum Combine Annual Debt Service:	\$	155,000
Coverage Ratio		8.94

The proposed loan will be secured by the District's anticipated levy and collection of ad valorem taxes, including taxes to be levied from Cheniere Energy, Inc.'s Sabine Pass LNG terminal (the "Facility") beginning in 2019. The Facility has been subject to an Industrial Tax Exemption, but will be assessed for the first time in 2019. Staff was provided projections of the total estimated tax due from Sabine Pass LNG from 2019 through 2022. Along with that, the District will receive a construction-work-in-progress (CWIP) settlement claim of approximately \$139,000 each year which started in 2018 and goes through 2020 and is included in the projections below.

	Audited Actuals 12/31/2017	Unaudited Actuals 12/31/2018	Projection Year 1 12/31/2019	Projection Year 2 12/31/2020	Projection Year 3 12/31/2021	Projection Year 4 12/31/2022
Ad Valorem Revenues	\$ 733,441	\$ 798,319	\$ 763,287	\$ 763,287	\$ 763,287	\$ 763,287
Sabine Pass LNG Taxes	\$ -	\$ -	\$ 662,836	\$ 1,080,338	\$ 1,037,736	\$ 938,031
Other Revenues	\$ 60,168	\$ 356,671	\$ 751,351	\$ 141,351	\$ 1,500	\$ 1,500
Expenses	\$(1,364,054)	\$(1,367,971)	\$(1,471,825)	\$(1,471,825)	\$(1,471,825)	\$(1,471,825)
Excess (Deficit)	\$ (570,445)	\$ (212,981)	\$ 705,649	\$ 513,151	\$ 330,698	\$ 230,993
Beginning Fund Balance	\$ 1,437,755	\$ 654,329				
Ending Fund Balance	\$ 867,310					
Fund Balance Committed	\$ 806,687					
Fund Balance Assigned	\$ 60,417					



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Selection Method: Private Placement
Purchaser: Cameron Parish Police Jury
Terms:

Interest Rate Not exceeding 0%

Maturity Not exceeding 4 years

Security: Avails of an 8 mills tax authorized at an election held on April 12, 2012 to be levied through December 31, 2022, including ad valorem taxes to be acquired from Sabine Pass LNG.