

CABRERA CAPITAL

Senior Manager

\$150,590,000

San Marcos

Consolidated Independent School District

**Unlimited Tax School Building
Bonds, Series 2023**



CASE STUDY & TRANSACTION RESULTS

SAN MARCOS CISD

Transaction Summary

Issuer:	San Marcos Consolidated Independent School District
Par/Series:	\$150,590,000 Unlimited Tax School Building Bonds, Series 2023
Tax Status:	Tax-Exempt
Pricing:	8/1/2023
Closing:	8/11/2023
Ratings:	Aa2 (Moody's) - Aaa (PSF)
Call Feature:	8/15/2033

- The U/L Tax School Building Bonds, Series 2023 True Interest Cost (TIC) was 4.07% and the final maturity was a term in 2047.
- Proceeds of the bonds will be used for the (1) construction, renovation, acquisition, and equipment of school buildings, the purchase of necessary sites, and the purchase of new school buses (2) construction, renovation, and equipment of San Marcos High School Stadium, (3) construction, renovation, and equipment of a natatorium, and (4) pay costs of issuance of the bonds.
- The District secured an Aa2 rating from Moody's and Aaa PSF insurance



Transaction Highlights

- ✓ On August 1, 2023, Cabrera served as Senior Manager on the \$150,590,000 Unlimited Tax School Building Bonds, Series 2023 for San Marcos CISD
- ✓ The week of pricing, the market had its busiest week of the year with over \$11 billion in the negotiated market, over \$3 billion of that being Texas ISD's and over \$4 billion total in Texas paper.
- ✓ The week before pricing, AAA MMD weakness began and continued into the week of pricing. Treasuries weakened up to 10bps the day of pricing, causing all Texas deals pricing Tuesday 8/1 to struggle, this theme continued the remainder of the week.
- ✓ Given the coupon restraints (no sub 5% coupons), Cabrera Capital had two reverse inquiries for 5.25% coupons which ultimately ended up proving advantageous for SMCISD from an arbitrage yield standpoint
- ✓ After pricing adjustments and verbally committing to get under balances given the weakness in the market, **Cabrera used our capital and ultimately committed to underwrite over \$7 million in balances**
- ✓ 19 investors participated in the transaction, 17 were new investors to the District. New investors included Mackay Shields, Vanguard, Nuveen, and Bessemer.