

City Council Work Session Handouts - Updated

March 23, 2015

- I. Bond Issuance Rate History
- II. 8-1 Debt Issuance Plan Series 2015
- III. Richardson GO Refunding S15 and CO S15A and B Complete Sale Book

City of Richardson

Bond Issuance Interest Rate History

1995 through 2015

Issue	Series	Amount of Issuance	True Interest Cost
General Obligation Refunding Bonds	2015	\$ 41,665,000	1.88%
Certificates of Obligation	2015A	\$ 6,850,000	2.45%
Certificates of Obligation - Taxable	2015B	\$ 2,150,000	3.58%
Certificates of Obligation	2014	\$ 7,855,000	1.02%
Adjustable Rate Certificates of Obligation	2014A	\$ 5,600,000	1.31% (1)
Adjustable Rate Certificates of Obligation	2014B	\$ 11,425,000	1.34% (1)
Certificates of Obligation	2013	\$ 8,315,000	2.35%
General Obligation Refunding Bonds	2013	\$ 20,720,000	1.91%
Certificates of Obligation - Taxable	2012A	\$ 275,000	3.13%
Certificates of Obligation	2012B	\$ 6,640,000	2.43%
General Obligation Refunding Bonds	2012	\$ 14,845,000	2.09%
Certificates of Obligation	2011	\$ 7,965,000	3.39%
Adjustable Rate General Obligation Refunding Bonds	2011	\$ 6,660,000	1.90% (2)
General Obligation Refunding and Improvement Bonds	2010	\$ 81,445,000	3.80%
General Obligation Refunding Bonds - Taxable	2010	\$ 6,105,000	3.48%
Certificates of Obligation	2010	\$ 18,305,000	3.29%
Certificates of Obligation	2009	\$ 11,800,000	3.45%
General Obligation Refunding Bonds	2009	\$ 20,625,000	2.63%
Certificates of Obligation	2008	\$ 10,700,000	4.00%
Certificates of Obligation	2007	\$ 9,380,000	4.24%
General Obligation Refunding and Improvement Bonds	2006	\$ 79,440,000	4.68%
Certificates of Obligation	2006	\$ 8,135,000	4.64%
General Obligation Refunding and Improvement Bonds	2005	\$ 33,200,000	4.49%
Certificates of Obligation	2005	\$ 7,735,000	4.18%
General Obligation Refunding Bonds - Taxable	2004	\$ 11,910,000	5.15%
Certificates of Obligation	2004	\$ 4,200,000	4.09%

City of Richardson

Bond Issuance Interest Rate History

1995 through 2015

Issue	Series	Amount of Issuance	True Interest Cost
Adjustable Rate General Obligation Refunding and Improvement Bonds	2003	\$ 13,485,000	1.15% ⁽²⁾
Certificates of Obligation	2003	\$ 8,710,000	4.07%
General Obligation Refunding and Improvement Bonds	2002	\$ 15,275,000	4.04%
Certificates of Obligation	2002	\$ 17,700,000	4.26%
General Obligation Bonds	2001	\$ 11,335,000	4.87%
Certificates of Obligation	2001	\$ 25,985,000	4.96%
General Obligation Bonds	2000	\$ 8,125,000	5.78%
Certificates of Obligation	2000	\$ 7,350,000	5.61%
Certificates of Obligation - Taxable	2000A	\$ 9,630,000	8.26%
Certificates of Obligation - Taxable	2000B	\$ 8,600,000	7.95%
Certificates of Obligation	2000A	\$ 29,640,000	5.74%
General Obligation Bonds	1999	\$ 10,465,000	4.79%
Certificates of Obligation	1999	\$ 11,650,000	4.71%
General Obligation Refunding and Improvement Bonds	1998	\$ 27,285,000	4.90%
General Obligation Bonds - Taxable	1998	\$ 3,000,000	6.79%
Certificates of Obligation - 3 Year Eqmt/Vehicles	1998	\$ 2,400,000	3.93%
Waterworks & Sewer System Revenue Bonds	1998	\$ 1,500,000	4.91%
Certificates of Obligation	1997	\$ 7,905,000	5.61%
Certificates of Obligation	1996	\$ 5,500,000	4.52%
Contractual Obligation	1995	\$ 2,160,000	4.57%

(1) In 2014, the City issued two adjustable rate issues that were purchased by BOKF, dba Bank of Texas. Both issues expire on June 15 and the rates are reset as of June 16. The rates shown above are the initial rates for the first year. Each year the rates are reset for the 2014A and 2014B issues based on the formula of (65% of 12 month Libor) + 0.94%

(2) In 2011, the 2003 adjustable rate issue was refunded as a private bank placement with Frost Bank. This issue has an adjustable interest rate which expires each year on June 15 and is reset as of June 16. The rate shown for 2003 is the rate at issuance, and the rate for 2011 is also the rate at issuance on June 14, 2011, The rate is based on the formula of (65% of 12 month Libor) + 1.43%.

Debt Issuance Plan

Series 2015

- **\$ 7,230,000 Certificates of Obligation (Tax Exempt)**
 - **\$ 3,920,000 Tax-Supported Certificates of Obligation**
 - \$ 2,900,000 General Fund Equipment 4-Yr
 - \$ 500,000 Fire Equipment 8-Yr
 - \$ 520,000 Street Rehabilitation 20-Yr
 - **\$ 910,000 Self-Supporting Certificates of Obligation**
 - \$ 910,000 Solid Waste Equipment 8-Yr
 - **\$ 2,400,000 Self-Supporting Certificates of Obligation**
 - \$ 2,400,000 Water and Sewer CIP 20-Yr
- **\$ 2,200,000 Certificates of Obligation (Taxable)**
 - **\$ 2,200,000 Tax-Supported Certificates of Obligation**
 - \$ 2,200,000 Golf Course Renovations 20-Yr
- **\$44,705,000* General Obligation Refunding Bonds (Tax Exempt)**
 - **\$ 44,705,000 Refunding Obligations**
 - \$ 44,705,000 Refunding Obligations
- **\$54,135,000* Total Sale, Series 2015**

* Preliminary Estimate – Subject to Change



\$41,665,000

GENERAL OBLIGATION REFUNDING BONDS,
SERIES 2015

\$6,850,000

COMBINATION TAX AND REVENUE CERTIFICATES
OF OBLIGATION, TAX-EXEMPT SERIES 2015A

\$2,150,000

COMBINATION TAX AND REVENUE CERTIFICATES
OF OBLIGATION, TAXABLE SERIES 2015B

MARCH 23, 2015

THE FOLLOWING RATINGS HAVE BEEN ASSIGNED:

STANDARD AND POOR'S

"AAA"

MOODY'S

"Aaa"

FirstSouthwest 



325 North St. Paul Street
Suite 800
Dallas, Texas 75201-3852

214-953-8705 Direct
800-678-3792 Toll Free
214-953-4050 Fax

March 23, 2015

Honorable Mayor and Councilmembers
City of Richardson
411 West Arapaho Road
Richardson, Texas 75080

Re: \$41,665,000 General Obligation Refunding Bonds, Series 2015
\$6,850,000 Combination Tax & Revenue Certificates of Obligation, Tax-Exempt Series 2015A
\$2,150,000 Combination Tax & Revenue Certificates of Obligation, Taxable Series 2015B

Honorable Mayor and Councilmembers:

The three above issues were priced and marketed through negotiated sale by an underwriting syndicate led by Stifel Nicolaus & Co. on Thursday, March 19. The issues achieved very favorable interest rates, which was attributable to market conditions as well as to the very high credit quality of the City of Richardson, as evidenced by the City's debt ratings.

The \$41.665 million G.O. Refunding Bonds had a True Interest Cost ("TIC") rate of 1.883%. The refunding produced total debt service savings through 2026 of \$7.128 million; and present value savings equaled 13.402% of the \$47.340 million refunded amount.

The 2015A Tax-Exempt Certificates of Obligation issue had a TIC rate of 2.451%. The G.O. bonds and 2015A Certificates of Obligation are the same credit and both tax-exempt; differences in the effective rates or TIC's of the issues are attributable to differences in the repayment term or average lives of the issues.

The 2015B Taxable Certificates of Obligation issue had a TIC rate of 3.576%. Even though taxable interest rates are higher than tax-exempt interest rates, the 2015B Taxable Certificates of Obligation had an average life of 11.5 years; approximately 5 years greater than the 2015A Tax-Exempt Certificates of Obligation.

As stated above, the City's debt issues benefit from bond ratings at the highest possible rating level by both Moody's and Standard & Poor's ("S&P"). S&P first assigned the "AAA" rating to the City in 2008. Moody's assigned the City a rating of "Aaa" in early 2010. Both ratings were affirmed by the rating agencies with respect to the sale of the bond and certificate of obligation issues. The "AAA" and "Aaa"

ratings provide investors with debt issues at the highest rating levels, and this results in a high level of demand for the City's issues.

Both rating agencies continue to emphasize the leadership and financial management of the City, as well as ongoing economic development activity. Statements by the rating agencies include:

S&P

- Very strong management with strong financial policies
- Strong budgetary performance with very strong budgetary flexibility
- Very strong economy, which serves as the anchor for the broad and diverse Dallas-Fort Worth Metropolitan Statistical Area
- Very strong liquidity providing very strong cash levels to cover both debt service and expenditures

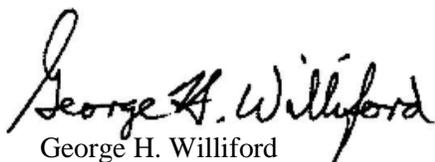
Moody's

- Strong financial management evident in historically stable reserve levels
- Manageable debt burden
- Moody's believes the city's debt burdens will remain moderate as prudent debt management practices continue
- Principal Amortization is fairly quick with 79.8% retired in ten years
- On-going diversification of tax base and employment centers
- Regional employment center; Large employment base (second to the Dallas central business district);

Municipal interest rates are nearly at historically low levels, making this is a very favorable time to sell debt and take advantage of attractive interest rates.

FirstSouthwest is very pleased with the results of the sale process, and with the efforts of Stifel Nicolaus & Co. and the co-managing underwriters on marketing of the issues. We recommend Council approval of the issues, and we congratulate the City Council and Staff on the excellent results in sale of the issues.

Sincerely,



George H. Williford
Managing Director



Nick Bulaich
Senior Vice President

TAB A

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.



(See "Continuing Disclosure of Information" herein)

PRELIMINARY OFFICIAL STATEMENT

Dated: March 12, 2015

Ratings:

Moody's: "Aaa"

S&P: "AAA"

(See "Other Information - Ratings" herein)

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel, interest on the Bonds will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under "TAX MATTERS – THE BONDS AND SERIES 2015A CERTIFICATES" herein, including the alternative minimum tax on corporations.



\$44,705,000*

CITY OF RICHARDSON, TEXAS

(Dallas and Collin Counties)

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015

Dated Date: March 15, 2015

Due: February 15, as shown on page 2

PAYMENT TERMS. . . Interest on the \$44,705,000* City of Richardson, Texas, General Obligation Refunding Bonds, Series 2015 (the "Bonds"), and together with the City of Richardson, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2015A [the "Series 2015A Certificates"] and the City of Richardson, Texas, Combination Tax and Revenue Certificates of Obligation, Taxable Series 2015B [the "Taxable Series 2015B Certificates"] being offered herein, collectively known as the "Obligations") will accrue from March 15, 2015 (the "Dated Date"), will be payable February 15 and August 15 of each year commencing February 15, 2016 until maturity or prior redemption and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof within a stated maturity. No physical delivery of the Bonds will be made to the beneficial owners thereof. Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "THE OBLIGATIONS - Book-Entry-Only System" herein. The initial Paying Agent/Registrar is Regions Bank, Dallas, Texas (see "THE OBLIGATIONS - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE. . . The Bonds are issued by the City of Richardson, Texas (the "City") pursuant to the Texas Constitution, the City's Home Rule Charter and general laws of the State of Texas (the "State"), including particularly Texas Government Code, Chapter 1207, as amended, and are direct obligations of the City, payable from a continuing ad valorem tax levied on all taxable property within the City, within the limits prescribed by law, as provided in the ordinance authorizing the Bonds (the "Bond Ordinance") (see "THE OBLIGATIONS - Authority for Issuance of the Bonds").

PURPOSE. . . Proceeds from the sale of the Bonds will be used for (1) refunding a portion of the City's outstanding debt (the "Refunded Obligations") as shown on Schedule I hereto, and (2) professional services rendered in connection with issuing the Bonds.

CUSIP PREFIX: 763227

MATURITY SCHEDULE & 9 DIGIT CUSIP

See Schedule on Page 2

SEPARATE ISSUES. . . The Bonds, the Series 2015A Certificates, and the Taxable Series 2015B Certificates are being offered concurrently by the City under a common Official Statement. The Bonds, the Series 2015A Certificates, and the Taxable Series 2015B Certificates are separate and distinct securities offerings being issued and sold independently except for the common Official Statement, and, while the Obligations share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the type of obligation being offered, its terms for payment, the security for its payment, the rights of holders, and other features.

LEGALITY. . . The Bonds are offered for delivery when, as and if issued and received by the Underwriters and subject to the approving opinion of the Attorney General of Texas and the opinion of Norton Rose Fulbright US LLP, Bond Counsel, Dallas, Texas (see Appendix C, "Form of Bond Counsel's Opinions"). Certain legal matters will be passed upon for the Underwriters by their counsel, Andrews Kurth L.L.P., Austin, Texas.

DELIVERY. . . It is expected that the Bonds will be available for delivery through DTC on April 22, 2015.

STIFEL NICOLAUS & COMPANY, INC.

BOSC, INC.

A SUBSIDIARY OF BOK FINANCIAL CORPORATION

RAYMOND JAMES

* Preliminary, subject to change.

Final

\$41,665,000

City of Richardson, Texas

General Obligation Refunding Bonds, Series 2015

Sources & Uses

Dated 03/15/2015 | Delivered 04/22/2015

Sources Of Funds

Par Amount of Bonds	\$41,665,000.00
Reoffering Premium	6,955,787.10
Accrued Interest from 03/15/2015 to 04/22/2015	204,789.86
Transfers from Prior Issue Debt Service Funds	1,196,445.00
Total Sources	\$50,022,021.96

Uses Of Funds

Total Underwriter's Discount (0.532%)	221,787.05
Costs of Issuance	200,000.00
Deposit to Debt Service Fund	204,789.86
Deposit to Current Refunding Fund	49,391,180.17
Rounding Amount	4,264.88
Total Uses	\$50,022,021.96

Final

\$41,665,000

City of Richardson, Texas

General Obligation Refunding Bonds, Series 2015

Debt Service Comparison

Date	Total P+I	Existing D/S	Net New D/S	Old Net D/S	Savings
09/30/2015	-	571,671.88	366,882.02	571,671.88	204,789.86
09/30/2016	2,822,779.17	6,853,662.51	9,676,441.68	9,943,100.01	266,658.33
09/30/2017	6,667,150.00	2,628,706.26	9,295,856.26	9,957,081.26	661,225.00
09/30/2018	6,506,125.00	2,633,331.26	9,139,456.26	9,808,293.76	668,837.50
09/30/2019	6,455,000.00	2,629,516.26	9,084,516.26	9,746,641.26	662,125.00
09/30/2020	6,445,675.00	2,630,416.88	9,076,091.88	9,741,914.38	665,822.50
09/30/2021	5,951,725.00	2,419,815.00	8,371,540.00	9,035,377.50	663,837.50
09/30/2022	3,970,850.00	1,596,390.00	5,567,240.00	6,237,157.50	669,917.50
09/30/2023	3,979,175.00	1,594,832.50	5,574,007.50	6,239,172.50	665,165.00
09/30/2024	3,974,375.00	1,596,363.75	5,570,738.75	6,237,657.50	666,918.75
09/30/2025	3,806,375.00	1,594,382.50	5,400,757.50	6,067,608.75	666,851.25
09/30/2026	3,121,125.00	1,593,760.00	4,714,885.00	5,380,875.00	665,990.00
Total	\$53,700,354.17	\$28,342,848.80	\$81,838,413.11	\$88,966,551.30	\$7,128,138.19

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	7,336,187.46
Net PV Cashflow Savings @ 1.963%(AIC)	7,336,187.46
Accrued Interest Credit to Debt Service Fund	204,789.86
Transfers from Prior Issue Debt Service Fund	(1,196,445.00)
Net Present Value Benefit	\$6,344,532.32
Net PV Benefit / \$47,340,000 Refunded Principal	13.402%

Refunding Bond Information

Refunding Dated Date	3/15/2015
Refunding Delivery Date	4/22/2015

Final

\$41,665,000

City of Richardson, Texas

General Obligation Refunding Bonds, Series 2015

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
02/15/2017	Serial Coupon	4.000%	0.610%	4,770,000.00	106.105%	5,061,208.50
02/15/2018	Serial Coupon	5.000%	0.950%	4,825,000.00	111.217%	5,366,220.25
02/15/2019	Serial Coupon	5.000%	1.210%	5,020,000.00	114.082%	5,726,916.40
02/15/2020	Serial Coupon	3.000%	1.400%	1,255,000.00	107.422%	1,348,146.10
02/15/2020	Serial Coupon	5.000%	1.400%	4,000,000.00	116.700%	4,668,000.00
02/15/2021	Serial Coupon	5.000%	1.590%	5,005,000.00	118.862%	5,949,043.10
02/15/2022	Serial Coupon	5.000%	1.820%	3,230,000.00	120.289%	3,885,334.70
02/15/2023	Serial Coupon	3.000%	1.960%	895,000.00	107.499%	962,116.05
02/15/2023	Serial Coupon	5.000%	1.960%	2,500,000.00	121.922%	3,048,050.00
02/15/2024	Serial Coupon	5.000%	2.080%	3,555,000.00	123.401%	4,386,905.55
02/15/2025	Serial Coupon	5.000%	2.170%	3,565,000.00	124.891%	4,452,364.15
02/15/2026	Serial Coupon	5.000%	2.290%	3,045,000.00	123.694%	3,766,482.30
Total	-	-	-	\$41,665,000.00	-	\$48,620,787.10

Bid Information

Par Amount of Bonds	\$41,665,000.00
Reoffering Premium or (Discount)	6,955,787.10
Gross Production	\$48,620,787.10
Total Underwriter's Discount (0.532%)	\$(221,787.05)
Bid (116.162%)	48,399,000.05
Accrued Interest from 03/15/2015 to 04/22/2015	204,789.86
Total Purchase Price	\$48,603,789.91
Bond Year Dollars	\$247,837.92
Average Life	5.948 Years
Average Coupon	4.8561392%
Net Interest Cost (NIC)	2.1390408%
True Interest Cost (TIC)	1.8834166%

TAB B

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.



(See "Continuing Disclosure of Information" herein)

PRELIMINARY OFFICIAL STATEMENT

Dated: March 12, 2015

**Ratings:
Moody's: "Applied For"
S&P: "Applied For"
(See "Other Information - Ratings" herein)**

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel, interest on the Series 2015A Certificates will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under "TAX MATTERS – THE BONDS AND SERIES 2015A CERTIFICATES" herein, including the alternative minimum tax on corporations.



\$7,230,000*
CITY OF RICHARDSON, TEXAS
(Dallas and Collin Counties)
COMBINATION TAX AND REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2015A

Dated Date: March 15, 2015

Due: February 15, as shown on page 4

PAYMENT TERMS. . . Interest on the \$7,230,000* City of Richardson, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2015A (the "Series 2015A Certificates," and together with the City of Richardson, Texas, General Obligation Refunding Bonds, Series 2015 [the "Bonds"] and the City of Richardson, Texas Combination Tax and Revenue Certificates of Obligation, Taxable Series 2015B [the "Taxable Series 2015B Certificates"] being offered herein, collectively known as the "Obligations") will accrue from March 15, 2015 (the "Dated Date"), will be payable February 15 and August 15 of each year commencing February 15, 2016 until maturity or prior redemption, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Series 2015A Certificates will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Series 2015A Certificates may be acquired in denominations of \$5,000 or integral multiples thereof within a stated maturity. No physical delivery of the Series 2015A Certificates will be made to the beneficial owners thereof. Principal of, premium, if any, and interest on the Series 2015A Certificates will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Series 2015A Certificates. See "THE OBLIGATIONS - Book-Entry-Only System" herein. The initial Paying Agent/Registrar is Regions Bank, Dallas, Texas (see "THE OBLIGATIONS - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE. . . The Series 2015A Certificates are issued by the City of Richardson, Texas (the "City") pursuant to the Texas Constitution, the City's Home Rule Charter, and the general laws of the State, particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, and constitute direct obligations of the City, payable from a combination of (i) the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property located within the City, and (ii) a limited pledge of the net revenues of the City's Waterworks and Sewer System, as provided in the ordinance authorizing the Series 2015A Certificates (the "Series 2015A Certificate Ordinance") (see "THE OBLIGATIONS - Authority for Issuance of the Series 2015A Certificates and the Taxable Series 2015B Certificates").

PURPOSE. . . Proceeds from the sale of the Series 2015A Certificates will be used for the purpose of paying contractual obligations to be incurred for (1) constructing, improving, renovating, and equipping park and recreation facilities, fire-fighting facilities, animal services facilities and fleet services facilities, (2) constructing, improving and renovating streets, alleys, culverts and bridges, including drainage, landscaping, screening walls, curbs, gutters, sidewalks, signage and traffic signalization incidental thereto and the acquisition of land and rights-of-way therefor, (3) improving and extending the City's water and sewer system, (4) acquiring equipment and vehicles for police, fire, streets, traffic and transportation, parks and recreation, municipal library, health, animal services and solid waste departments and the municipal golf course, and (5) professional services rendered in connection with issuing the Series 2015A Certificates.

CUSIP PREFIX: 763227
MATURITY SCHEDULE & 9 DIGIT CUSIP
See Schedule on Page 4

SEPARATE ISSUES. . . The Bonds, the Series 2015A Certificates, and the Taxable Series 2015B Certificates are being offered concurrently by the City under a common Official Statement. The Bonds, the Series 2015A Certificates, and the Taxable Series 2015B Certificates are separate and distinct securities offerings being issued and sold independently except for the common Official Statement, and, while the Obligations share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the type of obligation being offered, its terms for payment, the security for its payment, the rights of holders, and other features.

LEGALITY. . . The Series 2015A Certificates are offered for delivery when, as and if issued and received by the Underwriters and subject to the approving opinion of the Attorney General of Texas and the opinion of Norton Rose Fulbright US LLP, Bond Counsel, Dallas, Texas (see Appendix C, "Form of Bond Counsel's Opinions"). Certain legal matters will be passed upon for the Underwriters by their counsel, Andrews Kurth L.L.P., Austin, Texas.

DELIVERY. . . It is expected that the Series 2015A Certificates will be available for delivery through DTC on April 22, 2015.

STIFEL NICOLAUS & COMPANY, INC.

BOSC, INC.

RAYMOND JAMES

A SUBSIDIARY OF BOK FINANCIAL CORPORATION

* Preliminary, subject to change.

Final

\$6,850,000

City of Richardson, Texas

Combination Tax & Revenue Certificates of Obligation, Tax-Exempt Series 2015A

Sources & Uses

Dated 03/15/2015 | Delivered 04/22/2015

Sources Of Funds

Par Amount of Bonds	\$6,850,000.00
Reoffering Premium	472,748.20
Accrued Interest from 03/15/2015 to 04/22/2015	25,401.27
Total Sources	\$7,348,149.47

Uses Of Funds

Total Underwriter's Discount (0.505%)	34,615.50
Costs of Issuance	58,000.00
Deposit to Debt Service Fund	25,401.27
Deposit to Project Construction Fund	7,230,000.00
Rounding Amount	132.70
Total Uses	\$7,348,149.47

Final

\$6,850,000

City of Richardson, Texas

Combination Tax & Revenue Certificates of Obligation, Tax-Exempt Series 2015A

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
09/30/2015	-	-	-	-
09/30/2016	800,000.00	2.000%	342,125.63	1,142,125.63
09/30/2017	935,000.00	4.000%	212,447.50	1,147,447.50
09/30/2018	965,000.00	4.000%	174,447.50	1,139,447.50
09/30/2019	1,010,000.00	5.000%	129,897.50	1,139,897.50
09/30/2020	285,000.00	2.000%	101,797.50	386,797.50
09/30/2021	295,000.00	2.000%	95,997.50	390,997.50
09/30/2022	300,000.00	3.000%	88,547.50	388,547.50
09/30/2023	305,000.00	5.000%	76,422.50	381,422.50
09/30/2024	130,000.00	5.000%	65,547.50	195,547.50
09/30/2025	140,000.00	5.000%	58,797.50	198,797.50
09/30/2026	145,000.00	4.000%	52,397.50	197,397.50
09/30/2027	150,000.00	4.000%	46,497.50	196,497.50
09/30/2028	155,000.00	3.000%	41,172.50	196,172.50
09/30/2029	160,000.00	3.000%	36,447.50	196,447.50
09/30/2030	165,000.00	3.000%	31,572.50	196,572.50
09/30/2031	170,000.00	3.125%	26,441.25	196,441.25
09/30/2032	175,000.00	3.150%	21,028.75	196,028.75
09/30/2033	180,000.00	3.200%	15,392.50	195,392.50
09/30/2034	190,000.00	3.250%	9,425.00	199,425.00
09/30/2035	195,000.00	3.250%	3,168.75	198,168.75
Total	\$6,850,000.00	-	\$1,629,571.88	\$8,479,571.88

Yield Statistics

Accrued Interest from 03/15/2015 to 04/22/2015	25,401.27
Bond Year Dollars	\$45,909.17
Average Life	6.702 Years
Average Coupon	3.5495567%
Net Interest Cost (NIC)	2.5952098%
True Interest Cost (TIC)	2.4512624%
Bond Yield for Arbitrage Purposes	2.3544888%
All Inclusive Cost (AIC)	2.5923620%

IRS Form 8038

Net Interest Cost	2.3449744%
Weighted Average Maturity	6.589 Years

Final

\$6,850,000

City of Richardson, Texas

Combination Tax & Revenue Certificates of Obligation, Tax-Exempt Series 2015A

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
02/15/2016	Serial Coupon	2.000%	0.350%	800,000.00	101.339%	810,712.00
02/15/2017	Serial Coupon	4.000%	0.630%	935,000.00	106.067%	991,726.45
02/15/2018	Serial Coupon	4.000%	0.970%	965,000.00	108.389%	1,045,953.85
02/15/2019	Serial Coupon	5.000%	1.240%	1,010,000.00	113.962%	1,151,016.20
02/15/2020	Serial Coupon	2.000%	1.420%	285,000.00	102.688%	292,660.80
02/15/2021	Serial Coupon	2.000%	1.610%	295,000.00	102.155%	301,357.25
02/15/2022	Serial Coupon	3.000%	1.850%	300,000.00	107.328%	321,984.00
02/15/2023	Serial Coupon	5.000%	1.990%	305,000.00	121.679%	371,120.95
02/15/2024	Serial Coupon	5.000%	2.120%	130,000.00	123.039%	159,950.70
02/15/2025	Serial Coupon	5.000%	2.240%	140,000.00	124.191%	173,867.40
02/15/2026	Serial Coupon	4.000%	2.450%	145,000.00	113.445%	164,495.25
02/15/2027	Serial Coupon	4.000%	2.650%	150,000.00	111.595%	167,392.50
02/15/2028	Serial Coupon	3.000%	2.950%	155,000.00	100.420%	155,651.00
02/15/2029	Serial Coupon	3.000%	3.050%	160,000.00	99.437%	159,099.20
02/15/2030	Serial Coupon	3.000%	3.190%	165,000.00	97.768%	161,317.20
02/15/2031	Serial Coupon	3.125%	3.240%	170,000.00	98.582%	167,589.40
02/15/2032	Serial Coupon	3.150%	3.290%	175,000.00	98.200%	171,850.00
02/15/2033	Serial Coupon	3.200%	3.320%	180,000.00	98.392%	177,105.60
02/15/2034	Serial Coupon	3.250%	3.360%	190,000.00	98.472%	187,096.80
02/15/2035	Serial Coupon	3.250%	3.400%	195,000.00	97.847%	190,801.65
Total	-	-	-	\$6,850,000.00	-	\$7,322,748.20

Bid Information

Par Amount of Bonds	\$6,850,000.00
Reoffering Premium or (Discount)	472,748.20
Gross Production	\$7,322,748.20
Total Underwriter's Discount (0.505%)	\$(34,615.50)
Bid (106.396%)	7,288,132.70
Accrued Interest from 03/15/2015 to 04/22/2015	25,401.27
Total Purchase Price	\$7,313,533.97
Bond Year Dollars	\$45,909.17
Average Life	6.702 Years
Average Coupon	3.5495567%
Net Interest Cost (NIC)	2.5952098%
True Interest Cost (TIC)	2.4512624%

TAB C

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.



(See "Continuing Disclosure of Information" herein)

NEW ISSUE - Book-Entry-Only

Interest on the Taxable Series 2015B Certificates is includable in the gross income of the owners thereof for federal income tax purposes. See "TAX MATTERS – THE TAXABLE SERIES 2015B CERTIFICATES" herein.



\$2,200,000*
CITY OF RICHARDSON, TEXAS
(Dallas and Collin Counties)
COMBINATION TAX AND REVENUE
CERTIFICATES OF OBLIGATION, TAXABLE SERIES 2015B

Dated Date: March 15, 2015

Due: February 15, as shown on page 6

PAYMENT TERMS. . . Interest on the \$2,200,000* City of Richardson, Texas, Combination Tax and Revenue Certificates of Obligation, Taxable Series 2015B (the "Taxable Series 2015B Certificates," and together with the City of Richardson, Texas, General Obligation Refunding Bonds, Series 2015 [the "Bonds"] and the City of Richardson, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2015A [the "Series 2015A Certificates"] being offered herein, collectively known as the "Obligations") will accrue from March 15, 2015 (the "Dated Date"), will be payable February 15 and August 15 of each year commencing February 15, 2016 until maturity or prior redemption, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Taxable Series 2015B Certificates will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Taxable Series 2015B Certificates may be acquired in denominations of \$5,000 or integral multiples thereof within a stated maturity. No physical delivery of the Taxable Series 2015B Certificates will be made to the beneficial owners thereof. Principal of, premium, if any, and interest on the Taxable Series 2015B Certificates will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Taxable Series 2015B Certificates. See "THE OBLIGATIONS - Book-Entry-Only System" herein. The initial Paying Agent/Registrar is Regions Bank, Dallas, Texas (see "THE OBLIGATIONS - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE. . . The Taxable Series 2015B Certificates are issued by the City of Richardson, Texas (the "City") pursuant to the Texas Constitution, the City's Home Rule Charter, and the general laws of the State, particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, and constitute direct obligations of the City, payable from a combination of (i) the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property located within the City, and (ii) a limited pledge of the net revenues of the City's Waterworks and Sewer System, as provided in the ordinance authorizing the Taxable Series 2015B Certificates (the "Taxable Series 2015B Certificate Ordinance") (see "THE OBLIGATIONS - Authority for Issuance of the Series 2015A Certificates and Taxable Series 2015B Certificates").

PURPOSE. . . Proceeds from the sale of the Taxable Series 2015B Certificates will be used for the purpose of paying contractual obligations to be incurred for (1) constructing, improving, renovating, and equipping the municipal golf course, and (2) professional services rendered in connection with issuing the Taxable Series 2015B Certificates.

CUSIP PREFIX: 763227
MATURITY SCHEDULE & 9 DIGIT CUSIP
See Schedule on Page 6

SEPARATE ISSUES. . . The Bonds, the Series 2015A Certificates, and the Taxable Series 2015B Certificates are being offered concurrently by the City under a common Official Statement. The Bonds, the Series 2015A Certificates, and the Taxable Series 2015B Certificates are separate and distinct securities offerings being issued and sold independently except for the common Official Statement, and, while the Obligations share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the type of obligation being offered, its terms for payment, the security for its payment, the rights of holders, and other features.

LEGALITY. . . The Taxable Series 2015B Certificates are offered for delivery when, as and if issued and received by the Underwriters and subject to the approving opinion of the Attorney General of Texas and the opinion of Norton Rose Fulbright US LLP, Bond Counsel, Dallas, Texas (see Appendix C, "Form of Bond Counsel's Opinions"). Certain legal matters will be passed upon for the Underwriters by their counsel, Andrews Kurth L.L.P., Austin, Texas.

DELIVERY. . . It is expected that the Taxable Series 2015B Certificates will be available for delivery through DTC on April 22, 2015.

STIFEL NICOLAUS & COMPANY, INC.

BOSC, INC.

A SUBSIDIARY OF BOK FINANCIAL CORPORATION

RAYMOND JAMES

* Preliminary, subject to change.

Final

\$2,150,000

City of Richardson, Texas

Combination Tax & Revenue Certificates of Obligation, Taxable Series 2015B

Sources & Uses

Dated 03/15/2015 | Delivered 04/22/2015

Sources Of Funds

Par Amount of Bonds	\$2,150,000.00
Accrued Interest from 03/15/2015 to 04/22/2015	6,850.14
Total Sources	\$2,156,850.14

Uses Of Funds

Total Underwriter's Discount (0.650%)	13,983.50
Costs of Issuance	32,000.00
Deposit to Debt Service Fund	6,850.14
Deposit to Project Construction Fund	2,100,000.00
Rounding Amount	4,016.50
Total Uses	\$2,156,850.14

Final

\$2,150,000

City of Richardson, Texas

Combination Tax & Revenue Certificates of Obligation, Taxable Series 2015B

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
09/30/2015	-	-	-	-
09/30/2016	60,000.00	0.900%	94,150.83	154,150.83
09/30/2017	85,000.00	0.900%	65,727.50	150,727.50
09/30/2018	85,000.00	1.700%	64,622.50	149,622.50
09/30/2019	90,000.00	1.700%	63,135.00	153,135.00
09/30/2020	90,000.00	2.200%	61,380.00	151,380.00
09/30/2021	90,000.00	2.200%	59,400.00	149,400.00
09/30/2022	95,000.00	2.500%	57,222.50	152,222.50
09/30/2023	95,000.00	2.500%	54,847.50	149,847.50
09/30/2024	100,000.00	2.800%	52,260.00	152,260.00
09/30/2025	105,000.00	2.800%	49,390.00	154,390.00
09/30/2026	105,000.00	3.600%	46,030.00	151,030.00
09/30/2027	110,000.00	3.600%	42,160.00	152,160.00
09/30/2028	115,000.00	3.600%	38,110.00	153,110.00
09/30/2029	120,000.00	3.600%	33,880.00	153,880.00
09/30/2030	120,000.00	3.600%	29,560.00	149,560.00
09/30/2031	125,000.00	4.000%	24,900.00	149,900.00
09/30/2032	130,000.00	4.000%	19,800.00	149,800.00
09/30/2033	135,000.00	4.000%	14,500.00	149,500.00
09/30/2034	145,000.00	4.000%	8,900.00	153,900.00
09/30/2035	150,000.00	4.000%	3,000.00	153,000.00
Total	\$2,150,000.00	-	\$882,975.83	\$3,032,975.83

Yield Statistics

Accrued Interest from 03/15/2015 to 04/22/2015	6,850.14
Bond Year Dollars	\$24,875.83
Average Life	11.570 Years
Average Coupon	3.5495327%
Net Interest Cost (NIC)	3.6057459%
True Interest Cost (TIC)	3.5766211%
Bond Yield for Arbitrage Purposes	3.5049361%
All Inclusive Cost (AIC)	3.7432173%

IRS Form 8038

Net Interest Cost	3.5219953%
Weighted Average Maturity	11.570 Years

Final

\$2,150,000

City of Richardson, Texas

Combination Tax & Revenue Certificates of Obligation, Taxable Series 2015B

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
02/15/2017	Term 1 Coupon	0.900%	0.900%	145,000.00	100.000%	145,000.00
02/15/2019	Term 2 Coupon	1.700%	1.700%	175,000.00	100.000%	175,000.00
02/15/2021	Term 3 Coupon	2.200%	2.200%	180,000.00	100.000%	180,000.00
02/15/2023	Term 4 Coupon	2.500%	2.500%	190,000.00	100.000%	190,000.00
02/15/2025	Term 5 Coupon	2.800%	2.800%	205,000.00	100.000%	205,000.00
02/15/2030	Term 6 Coupon	3.600%	3.600%	570,000.00	100.000%	570,000.00
02/15/2035	Term 7 Coupon	4.000%	4.000%	685,000.00	100.000%	685,000.00
Total	-	-	-	\$2,150,000.00	-	\$2,150,000.00

Bid Information

Par Amount of Bonds	\$2,150,000.00
Gross Production	\$2,150,000.00
Total Underwriter's Discount (0.650%)	\$(13,983.50)
Bid (99.350%)	2,136,016.50
Accrued Interest from 03/15/2015 to 04/22/2015	6,850.14
Total Purchase Price	\$2,142,866.64
Bond Year Dollars	\$24,875.83
Average Life	11.570 Years
Average Coupon	3.5495327%
Net Interest Cost (NIC)	3.6057459%
True Interest Cost (TIC)	3.5766211%

TAB D

City of Richardson, Texas
Combination Tax & Revenue Certificates of Obligation, Tax-Exempt Series 2015A
General Obligation Refunding Bonds, Series 2015
Pricing Comparison

Maturity	City of Richardson (Aaa/AAA) 3/19/2015 \$6,850,000 - CO \$41,665,000 - GO REF	Mesquite ISD (AA/AA+) - PSF Insured (AAA) 3/18/2015 \$21,150,000 - GO		Texas Tech University (Aa1/AA/AA+) 3/17/2015 \$73,255,000 - Tuition Rev	
	Reoffering Yield	Reoffering Yield	Difference	Reoffering Yield	Difference
2016	0.350%	0.430%	-0.080%	0.200%	0.150%
2017	0.610%	0.750%	-0.140%	0.660%	-0.050%
2018	0.950%	1.130%	-0.180%	1.070%	-0.120%
2019	1.210%	1.320%	-0.110%	1.370%	-0.160%
2020	1.400%	1.550%	-0.150%	1.560%	-0.160%
2021	1.590%	1.750%	-0.160%	1.780%	-0.190%
2022	1.820%	1.980%	-0.160%	2.030%	-0.210%
2023	1.960%	2.130%	-0.170%	2.170%	-0.210%
2024	2.120%	2.270%	-0.150%	2.320%	-0.200%
2025	2.240%	2.450%	-0.210%	2.430%	-0.190%
2026	2.450%	2.650%	-0.200%	2.560%	-0.110%
2027	2.650%	2.850%	-0.200%	2.900%	-0.250%
2028	2.950%	3.070%	-0.120%	3.100%	-0.150%
2029	3.050%	3.130%	-0.080%	3.250%	-0.200%
2030	3.190%	3.190%	0.000%	3.350%	-0.160%
2031	3.240%	3.240%	0.000%	3.430%	-0.190%
2032	3.290%				
2033	3.320%				
2034	3.360%				
2035	3.400%				

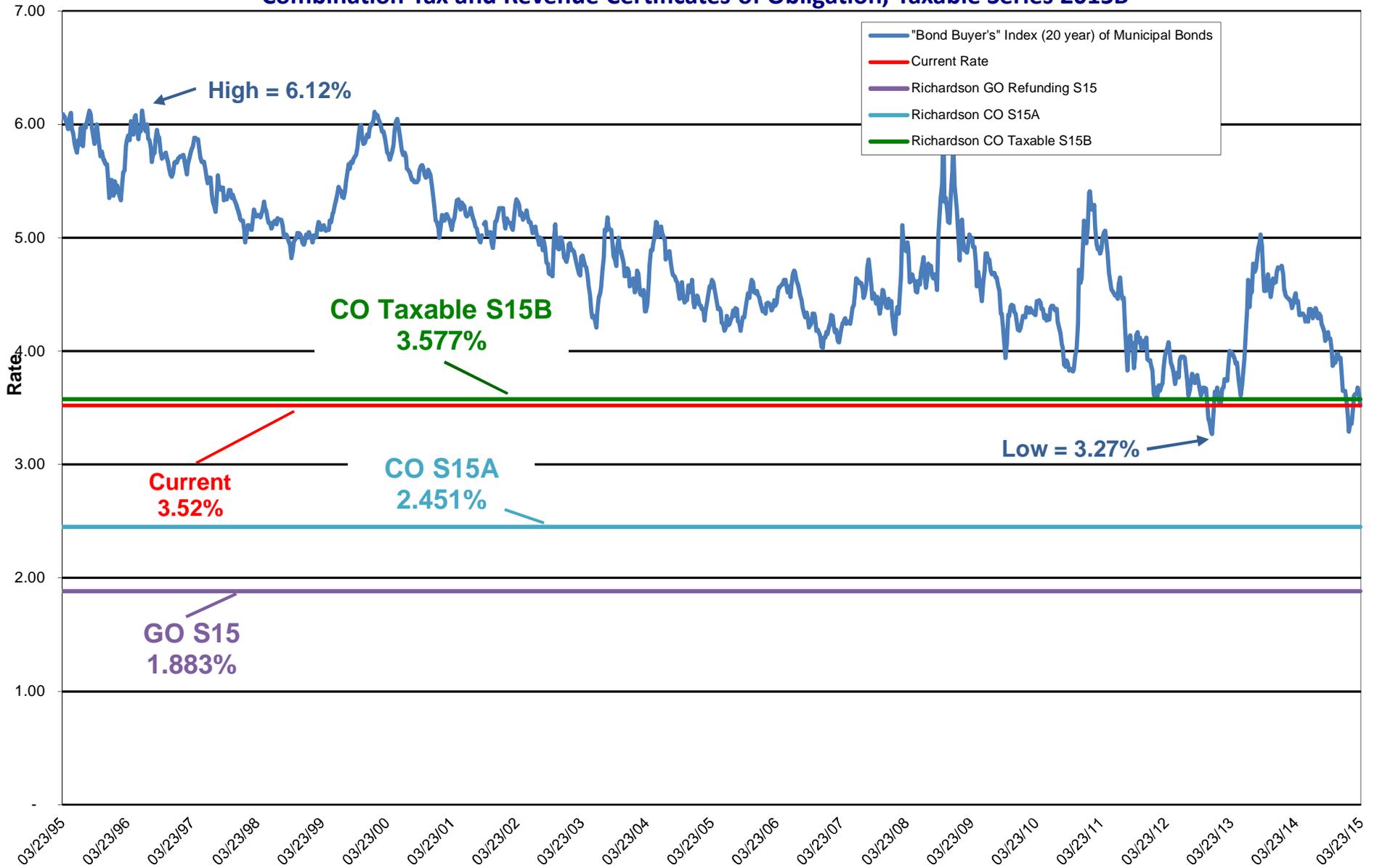
City of Richardson, Texas
Combination Tax & Revenue Certificates of Obligation, Taxable Series 2015B
Pricing Comparison

Maturity	City of Richardson (Aaa/AAA) 3/19/2015 \$2,150,000 - CO Taxable Reoffering Yield	Texas Tech University (Aa1/AA/AA+) 3/17/2015 \$226,975,000 - Tuition Rev Taxable Reoffering Yield	Difference		
	2016				
2017	0.900%	0.915%	-0.015%		
2018					
2019	1.700%	1.804%	-0.104%		
2020					
2021	2.200%	2.420%	-0.220%		
2022					
2023	2.500%	2.761%	-0.261%		
2024					
2025	2.800%	2.961%	-0.161%		
2026					
2027					
2028					
2029					
2030	3.600%				
2031					
2032					
2033					
2034					
2035	4.000%	3.922%	0.078%		

City of Richardson

General Obligation Refunding Bonds, Series 2015

Combination Tax and Revenue Certificates of Obligation, Tax-Exempt Series 2015A and Combination Tax and Revenue Certificates of Obligation, Taxable Series 2015B



FIRST SOUTHWEST COMPANY
"Bond Buyer's" Index of 20 Municipal Bonds
Basis Valuation of Par Bonds

The most important guide as to what the Municipal Bond Market has done in one time period versus another is the "Bond Buyer's" 20 Bond Index. Published on Thursday of each week, it is the accepted guide of the Municipal Bond Industry to determine trends and movements of interest rates in the market. To compute the index each week a poll is taken of several large investment banking houses on the 20 year price (expressed in terms of an interest rate) of the outstanding bonds of certain municipalities.

	<u>Week</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
January	1	4.84	4.64	4.47	4.35	4.15	4.32	5.24	4.31	5.08	3.83	3.68	4.75	3.42
	2	4.94	4.52	4.41	4.37	4.21	4.21	5.02	4.31	5.39	3.62	3.60	4.68	3.29
	3	4.95	4.57	4.40	4.33	4.25	4.15	4.80	4.30	5.41	3.60	3.53	4.55	3.36
	4	4.89	4.71	4.37	4.42	4.32	4.29	5.13	4.39	5.25	3.68	3.54	4.50	3.36
	5	4.90						4.39	5.16				3.67	4.48
February	1	4.88	4.68	4.37	4.43	4.31	4.33	4.96	4.36	5.25	3.60	3.68	4.46	3.49
	2	4.83	4.52	4.27	4.42	4.21	4.47	4.89	4.34	5.29	3.70	3.72	4.46	3.60
	3	4.79	4.50	4.35	4.41	4.17	4.66	4.89	4.38	5.10	3.65	3.74	4.44	3.62
	4	4.74	4.49	4.42	4.36	4.19	5.11	4.87	4.36	4.95	3.69	3.74	4.38	3.62
	5													
March	1	4.69	4.54	4.50	4.39	4.10	4.92	4.96	4.34	4.90	3.72	3.86	4.41	3.68
	2	4.67	4.35	4.57	4.45	4.08	4.94	5.03	4.33	4.91	3.84	4.00	4.47	3.62
	3	4.83	4.35	4.56	4.40	4.13	4.88	4.98	4.32	4.86	3.95	3.99	4.51	3.52
	4	4.84	4.41	4.63	4.43	4.20	4.96	5.00	4.44	4.91	4.01	3.99	4.43	
	5			4.61	4.53	4.25			4.44	5.00	4.02			
April	1	4.79	4.59	4.56	4.56	4.26	4.90	4.92	4.45	5.04	4.08	3.96	4.44	
	2	4.76	4.76	4.49	4.57	4.29	4.61	4.92	4.43	5.06	3.97	3.93	4.32	
	3	4.74	4.89	4.42	4.59	4.24	4.62	4.78	4.37	4.98	3.90	3.89	4.32	
	4	4.66	4.89	4.37	4.59	4.26	4.68	4.57	4.37	4.86	3.86	3.90	4.33	
	5		4.95					4.70						
May	1	4.58	5.01	4.38	4.63	4.25	4.63	4.62	4.29	4.69	3.81	3.77	4.33	
	2	4.50	5.14	4.35	4.63	4.24	4.62	4.54	4.32	4.61	3.71	3.67	4.31	
	3	4.35	5.13	4.25	4.58	4.29	4.53	4.44	4.27	4.55	3.75	3.61	4.26	
	4	4.30	5.01	4.24	4.52	4.38	4.52	4.61	4.28	4.53	3.81	3.70	4.28	
	5	4.31				4.41	4.62				3.77	3.84	4.26	
June	1	4.27	5.03	4.18	4.57	4.54	4.59	4.71	4.28	4.51	3.92	3.93	4.37	
	2	4.21	5.10	4.21	4.48	4.64	4.69	4.86	4.37	4.49	3.95	4.16	4.37	
	3	4.35	5.05	4.31	4.58	4.63	4.76	4.86	4.40	4.49	3.95	4.37	4.36	
	4	4.47	5.01	4.23	4.68	4.60	4.83	4.79	4.40	4.46	3.95	4.63	4.29	
	5			4.24	4.71					4.59				
July	1	4.51	4.98	4.27	4.69	4.61	4.67	4.81	4.38	4.65	3.94	4.39	4.31	
	2	4.56	4.81	4.30	4.62	4.60	4.56	4.71	4.36	4.51	3.83	4.55	4.38	
	3	4.71	4.85	4.36	4.59	4.55	4.65	4.68	4.37	4.46	3.75	4.52	4.36	
	4	4.83	4.84	4.31	4.55	4.47	4.77	4.69	4.26	4.47	3.61	4.77	4.29	
	5		4.88				4.74	4.69	4.21				4.33	
August	1	5.07	4.78	4.38	4.49	4.51	4.75	4.65	4.16	4.19	3.66	4.70	4.31	
	2	5.06	4.70	4.37	4.45	4.59	4.67	4.65	4.06	3.97	3.75	4.73	4.24	
	3	5.18	4.67	4.27	4.39	4.74	4.64	4.58	4.03	3.83	3.80	4.80	4.21	
	4	5.10	4.66	4.25	4.34	4.81	4.68	4.53	3.88	4.09	3.76	4.91	4.17	
	5	5.07			4.30	4.70					3.72	4.96		
September	1	5.07	4.63	4.18	4.34	4.57	4.62	4.33	3.86	4.14	3.73	5.03	4.09	
	2	4.94	4.61	4.26	4.30	4.46	4.54	4.33	3.92	4.05	3.79	4.93	4.14	
	3	4.84	4.54	4.30	4.21	4.51	5.03	4.20	3.89	4.07	3.72	4.66	4.17	
	4	4.81	4.46	4.30	4.23	4.48	5.23	4.04	3.83	3.85	3.67	4.53	4.11	
	5			4.39					3.84	3.93				
October	1	4.75	4.54	4.44	4.25	4.42	5.36	3.94	3.84	4.14	3.61	4.53	4.11	
	2	4.92	4.61	4.51	4.33	4.48	5.47	4.06	3.82	4.17	3.64	4.57	4.01	
	3	5.00	4.48	4.47	4.33	4.39	6.01	4.32	3.84	4.08	3.68	4.68	3.87	
	4	4.88	4.43	4.56	4.30	4.33	5.32	4.31	3.96	4.12	3.68	4.56	3.90	
	5	4.88	4.44				5.35	4.39				4.48	3.90	
November	1	4.83	4.45	4.63	4.18	4.40	5.24	4.41	4.02	4.02	3.67	4.56	3.98	
	2	4.77	4.58	4.61	4.19	4.54	5.14	4.40	4.24	4.02	3.55	4.64	3.98	
	3	4.66	4.52	4.52	4.17	4.53	5.13	4.35	4.72	4.09	3.41	4.60	3.93	
	4	4.66	4.53	4.51	4.14	4.45	5.39	4.33	4.60	4.07	3.37	4.61	3.94	
	5				4.04	4.39					3.29			
December	1	4.73	4.63	4.53	4.03	4.38	5.58	4.24	4.65	4.12	3.27	4.70	3.83	
	2	4.70	4.43	4.49	4.12	4.46	5.85	4.19	4.86	3.93	3.44	4.74	3.65	
	3	4.57	4.39	4.48	4.12	4.39	5.46	4.18	5.15	3.92	3.64	4.73	3.65	
	4	4.58	4.44	4.42	4.17	4.44	5.33	4.21	5.00	3.92	3.58	4.73	3.65	
	5	4.60	4.49	4.38				4.25	4.95	3.88			3.56	

TAB E

RatingsDirect®

Summary:

Richardson, Texas; General Obligation

Primary Credit Analyst:

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Table Of Contents

Rationale

Outlook

Related Criteria And Research

Summary:

Richardson, Texas; General Obligation

Credit Profile

US\$44.705 mil GO rfdg bnds ser 2015 dtd 03/15/2015 due 02/15/2026

Long Term Rating AAA/Stable New

US\$7.23 mil comb tax and rev certs of oblig ser 2015A dtd 03/15/2015 due 02/15/2035

Long Term Rating AAA/Stable New

US\$2.2 mil comb tax and rev certs of oblig (Taxable) ser 2015B dtd 03/15/2015 due 02/15/2035

Long Term Rating AAA/Stable New

Richardson GO

Unenhanced Rating AAA(SPUR)/Stable Affirmed

Rationale

Standard & Poor's Ratings Services assigned its 'AAA' long-term rating to Richardson, Texas' series 2015 general obligation (GO) refunding bonds, 2015A combination tax and revenue certificates of obligation, and 2015B combination tax and revenue certificates of obligation. At the same time, Standard & Poor's affirmed its 'AAA' long-term and underlying rating (SPUR) on the city's existing general obligation (GO) bonds. The outlook is stable.

The bonds are secured by the general obligation pledge of an ad valorem tax levied within the limits prescribed by law on all taxable property within the city. The series 2015A, 2015B, and existing certificates of obligation bonds are additionally secured by a limited pledge of net water and sewer system revenues. The city's total tax rate is limited to \$2.50 per \$100 of assessed value (AV) per state statute. At 63.5 cents per \$100 of AV for the total tax rate and 37.03 cents for the operating tax rate, the 2015 tax rate is well below the state's and city's home-rule limitations.

The rating reflects our assessment of the following factors for the city:

- Very strong economy, which serves as the anchor for the broad and diverse Dallas-Fort Worth Metropolitan Statistical Area (MSA);
- Very strong budgetary flexibility, with 2014 audited reserves at 17.8% of general fund expenditures;
- Strong budgetary performance;
- Very strong liquidity, providing very strong cash levels to cover both debt service and expenditures;
- Very strong management, with strong financial policies;
- Strong institutional framework; and
- Weak debt and contingent liabilities position.

Very strong economy

We consider Richardson's economy to be very strong with projected per capita effective buying income at 129% of the national level and market value per capita at \$106,151. Located about 15 miles north of downtown Dallas, with a population of about 101,820, Richardson is the metropolitan statistical area's second-largest employment center, with

a daytime population that increases to more than 120,500. The economy remains rooted in the telecommunications industry; its property tax base, however, is deep and extends beyond its telecom corridor, with other sectors including healthcare and finance. Traditionally, county unemployment has tracked lower than that of the state and the nation and was 6.4% in 2013. Leading employers include State Farm Insurance (8,000), AT&T Inc. (5,000), Blue Cross & Blue Shield of Texas (3,100), and University of Texas at Dallas (2,674). The city's taxable AV has increased by a 3% annual average since 2012 amounting to \$10.8 billion for fiscal 2015. We view the tax base as very diverse with the top 10 taxpayers representing just 13.7% of 2015 AV.

The city has had four consecutive years of creating or retaining more than 5,000 jobs per year. Recent major economic development projects include the State Farm Insurance campus; Raytheon relocation to CityLine; AdvoCare office and distribution complex; CityLine West mixed-use development; e2v (semi-conductor unit) relocation; and Mede/Analytics (business intelligence analysis) relocation. Some of the aforementioned projects are located within proximity to one of the city's four light rail stations. Furthermore, the city has experienced continued growth with several new retail shops and restaurants within the past year.

Very strong budget flexibility

In our opinion, the city's budgetary flexibility remains very stable and very strong, with reserves above 15% of expenditures for the past several years and no plans to significantly spend them down. The 2015 budget reflects a slight surplus of \$398,000, which brings the operating available reserves to \$18 million or 16% expenditures after adjusting for recurring transfers out. The city typically transfers funds in excess of its 60-day operating fund reserve policy to the capital projects, economic development, or insurance funds and are not included in this ratio due to their discretionary nature. The 2014 audit reflects an increase in the operating fund by about \$1.45 million to \$18.5 million or 17.8% of expenditures. The city allowed for a larger carryover for the operating fund in fiscal 2014 to designate a portion of the fund balance for pending appraisal lawsuits from tax year 2012 through 2014 amounting to \$828,884 and approximately \$664,622 for prior-year encumbrances. General fund reserves during fiscal 2013 were \$16.9 million or 17% of expenditures.

Strong budgetary performance

The city's budgetary performance has been strong overall, in our view, with a surplus of 3.9% for the general fund in fiscal 2014 and a surplus of 5.2% for total governmental funds after adjusting for one-time capital expenditures funded with one-time revenue sources (i.e. built-up reserves, existing bond proceeds or new money bond proceeds) and discretionary transfers. The city often budgets conservatively and has currently budgeted for a 1.2% operating surplus for 2015 after adjustment for one-time expenditures and discretionary transfers. Management attributes the smaller operating surplus budgeted for 2015 to transfers of general fund reserves in excess of the 60-day reserve policy to the capital projects fund. At this time, based on the city's historic budget-to-actual performance, we do not anticipate changing our assessment of the city's general fund performance. About 28% of the city's revenues are from sales taxes, the second-largest revenue source behind property taxes, and while this revenue stream has the potential to fluctuate during economic cycles, sales tax revenues have continued to increase from fiscal years 2011 to 2014. Sales tax revenues were budgeted to increase by about 3% in 2015, and are trending 3.4% above budget year-to-date.

Very strong liquidity

Supporting the city's finances is liquidity we consider very strong, with total government available cash at 49% of total governmental fund expenditures and more than 247% of debt service. We believe the city has strong access to external liquidity. The city has issued GO bonds frequently during the past 15 years. The city's series 2011, 2014A, 2014B variable rate loans are private placement loans and represent just 28% of the city's total cash on hand and 6.6% of total direct debt. The variable rate resets annually in June of every year, well before the budget is adopted, and since this eliminates the risk of the debt service payment fluctuating after the budget has passed, we do not view it as a potential constraint on liquidity at this time. Even if the city were to pay down all of the variable rate loans outstanding with the current unrestricted cash and liquid investments available, it would still maintain a very strong liquidity position, in our view.

Very strong management conditions

We view the city's management conditions as very strong, with strong financial practices. Highlights include use of extensive planning and analysis to devise revenue and expenditure assumptions based on historical trend analysis. Management has proven its willingness to make intra-year corrections to improve structural budget gaps due to a formalized budget contingency plan with monthly reporting to the governing body. The city has a five-year revenue and expenditure financial planning model that is used as a budget planning tool to identify and monitor potential expenditure pressures. In addition, the city has a five-year, annually updated capital improvement program that addresses project needs and resources. The city's formal debt management policy governs debt issuances and includes tying the bonds' terms to the asset's useful life, coupled with carrying charge limitations. The city's formal investment management policy parallels state regulations and calls for quarterly reporting to elected officials. Furthermore, the city's formal reserve policy requires 60 days' annual budgeted general fund expenditures in the operating reserve.

Weak debt and contingent liability profile

In our opinion, the city's debt and contingent liability profile is weak, with total governmental fund debt service at 20% of total governmental fund expenditures, and with net direct debt at 186% of total governmental fund revenue. We expect the city will issue about \$8 million in certificates of obligation during the next two years, which we estimate will bring net direct debt to roughly 191% of total governmental fund revenue. The city receives some self-support from the water and sewer and solid waste funds for tax-secured debt per our debt statement analysis criteria.

Furthermore, the city's overall net debt burden is 5.6% of market value and the city's amortization schedule is rapid, with about 71% of principal due to be retired in 10 years.

The city provides pension benefits for all of its full-time employees through the statewide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. Under state law governing TMRS, the city's contribution rate is determined annually by an actuary and the city contributes to the TMRS plan at the actuarially determined rate. For fiscal 2014, the city contributed 100% of its annual required contribution (ARC) and the plan was 88% funded as of Dec. 31, 2013. In accordance with city policy, Richardson also provides other postemployment benefits (OPEB) in the form of health care; the city subsidizes medical, dental, and hospitalization costs incurred by retirees and their dependents. Contributions are made on a pay-as-you-go basis. The city's OPEB contribution for fiscal 2014 was \$1.2 million or 45% of the total annual OPEB cost. The total OPEB unfunded actuarial accrued liability as of Dec. 31, 2012, is \$30.7 million, which is down from \$60.9 million in 2010. The pension and OPEB

contributions combined comprise of just 7.2% of the fiscal 2014 governmental budget.

Strong institutional framework

We consider the Institutional Framework score for Texas cities as strong.

Outlook

The stable outlook reflects our view of the city's consistently very strong budgetary flexibility and strong performance, which is supported by strong management. We do not anticipate revising the rating in the next two years because we believe the city will maintain very strong budget flexibility and continue to participate in the broad and diverse Dallas-Fort Worth MSA. While we view it as unlikely, deterioration in the city's economic characteristics, management policies and practices, or significant deterioration in the city's liquidity, budgetary performance, or budget flexibility could lead to a lowered rating.

Related Criteria And Research

Related Criteria

- USPF Criteria: Local Government GO Ratings Methodology And Assumptions, Sept. 12, 2013
- USPF Criteria: Debt Statement Analysis, Aug. 22, 2006
- USPF Criteria: Contingent Liquidity Risks, March 5, 2012
- Ratings Above The Sovereign: Corporate And Government Ratings—Methodology And Assumptions, Nov. 19, 2013

Related Research

- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013
- Institutional Framework Overview: Texas Local Governments

Ratings Detail (As Of March 9, 2015)

Richardson GO		
<i>Long Term Rating</i>	AAA/Stable	Affirmed
Richardson GO		
<i>Long Term Rating</i>	AAA/Stable	Affirmed
Richardson GO		
<i>Unenhanced Rating</i>	AAA(SPUR)/Stable	Affirmed
Many issues are enhanced by bond insurance.		

Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

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MOODY'S

INVESTORS SERVICE

New Issue: Moody's assigns Aaa rating to City of Richardson's, TX Series 2015 Issuances; outlook remains stable

Global Credit Research - 06 Mar 2015

\$256.4M of debt affected, inclusive of current issuances

RICHARDSON (CITY OF) TX
Cities (including Towns, Villages and Townships)
TX

Moody's Rating

ISSUE	RATING
Combination Tax and Revenue Certificates of Obligation, Series 2015A	Aaa
Sale Amount	\$7,230,000
Expected Sale Date	03/19/15
Rating Description	General Obligation Limited Tax
Combination Tax and Revenue Certificates of Obligation, Taxable Series 2015B	Aaa
Sale Amount	\$2,200,000
Expected Sale Date	03/19/15
Rating Description	General Obligation Limited Tax
General Obligation Refunding Bonds, Series 2015	Aaa
Sale Amount	\$44,705,000
Expected Sale Date	03/19/15
Rating Description	General Obligation Limited Tax

Moody's Outlook STA

NEW YORK, March 06, 2015 --Moody's Investors Service has assigned a Aaa rating to the City of Richardson, TX's upcoming sales of \$44.7 million General Obligation Refunding Bonds, Series 2015, \$7.2 million Combination Tax and Revenue Certificates of Obligation, Series 2015A, and \$2.2 million Combination Tax and Revenue Certificates of Obligation, Taxable Series 2015B. Moody's has also affirmed the Aaa rating on the city's outstanding general obligation debt. The outlook remains stable.

SUMMARY RATING RATIONALE

The Aaa rating reflects the City's relatively sizable and affluent tax base that is bolstered by a sizable business district that draws a large daytime population, strong financial management with historical stability reserve levels, and moderate yet manageable debt burden.

OUTLOOK

The stable outlook is based on our expectation that the regional employment base will continue to diversify and offer stability to the local economy. We also believe that the city's financial operations will remain satisfactory as management has historically demonstrated the ability to implement expenditure controls and budget conservatively.

WHAT COULD MAKE THE RATING GO UP

- N/A

WHAT COULD MAKE THE RATING GO DOWN

- Economic contractions measured by declines in taxable values
- Trend of deficit spending resulting in deviation from city's fund balance policy
- Substantial increases in the city's debt burden

STRENGTHS

- Diverse tax base located in the vibrant Dallas/Fort Worth metropolitan area
- Favorable socioeconomic profile
- Regional employment center second only to Dallas Central Business District in DFW area

CHALLENGES

- High debt burden in comparison to Aaa medians
- Aging housing base and areas of dense low-income multi-family complexes typical of first-tier suburbs

RECENT DEVELOPMENTS

Recent developments are incorporated in the Detailed Rating Rationale.

DETAILED RATING RATIONALE

REVENUE GENERATING BASE: ON-GOING DIVERSIFICATION OF TAX BASE AND EMPLOYMENT CENTERS

The City of Richardson is a first tier suburb, located along Highway-75 approximately 15 miles from downtown Dallas (GOLT rating Aa1/stable). The five year average annual tax base growth has been a limited 1.9% through fiscal 2015 as the tax base is largely built out and commercial values slumped during the economic downturn. The fiscal 2015 taxable value of \$10.8 billion represented a favorable 3.5% increase over the prior year as continued multifamily and commercial/industrial projects were completed. The city's taxable value is primarily comprised of single-family residential (40.8%) and commercial/industrial (30.9%) properties. As a first-tier suburb of Dallas, the city's residential base is aging as a majority of housing was constructed in the 1950s, but values remain stable with some appreciation. The city's commercial base has experienced weaknesses in prior downturns declining 5.5% in fiscals 2004 and 2005 during the global telecom market downturn. During that time, the city's commercial tax base was heavily dependent on the telecom industry. Although the telecom presence remains strong, the city's tax base has diversified over the last decade, and only three of the fiscal 2015 top ten taxpayers are telecom related. The top ten account for 14.2% of the fiscal 2015 assessed valuation and represent a mix of telecom, financial services, and electronics and technology companies.

Additionally, the city serves as a large employment base (second to the Dallas Central Business District) with an estimated employment population of 120,500. Top employers include the telecom industry, government, financial services, a health insurance provider, electronics and defense system enterprises, and the University of Texas at Dallas. The university, which we consider a strength for the city, is in the midst of ongoing expansion and plays a key role in the city's technological employment base. The city is well positioned along Highway-75 (Central Expressway) with a light-rail transit line adjacent to the highway that provides easy access to downtown Dallas as well as to other suburbs located further north of Richardson. The city has strategically targeted mixed-used development along the light-rail line. In 2006 the city approved its first Tax Increment Finance (TIF) District to facilitate the transit-oriented development projects. The city's second and third TIF districts were created to facilitate a large commercial and mixed-use development along the city's northern boundary. The first phase of development is expected to be complete in the summer of 2015 and will house approximately 8,000 employees of State Farm Insurance, one of the nation's leading property and casualty insurance companies, in roughly 2 million square feet. This development's second and third phases are expected to continue to diversify the city's employment base, as the Raytheon Company (Senior Unsecured A3 stable) plans to occupy roughly half a million square feet of office space with 1,700 employees. Other developments include retail, restaurants, and multifamily complexes. Despite the fact that these developments will only contribute a third of their values to the city's assessed valuation for 20 years, the increased economic activity and sales tax growth in the area will help

mitigate the non-captured values.

Unemployment within the city has historically been below both the state and nation. As of December 2014, unemployment was 3.7% compared to the 4.1% state and 5.4% national levels. Additionally, resident wealth levels are in-line with similarly rated local governments. Resident wealth levels, as measured by per capita income and median family income (2006-2012 American Community Survey, U.S. Census), represent 124.7% and 132.7% of the state, respectively. Although the tax base has been challenged by downturns, Moody's expects the regional employment base and the current economic development to continue to offer relative stability to the local economy.

FINANCIAL OPERATIONS AND POSITION: STRONG FINANCIAL MANAGEMENT EVIDENT IN HISTORICALLY STABLE RESERVE LEVELS

Richardson's General Fund reserve levels have hovered very close to 17% of revenues over the last decade, which is in line with the city's policy to maintain 60 days of operating expenses in reserve. The city has maintained a level fund balance with operations that produce annual surpluses. Reserves in excess of the policy are transferred to a capital improvement fund. For example, fiscal 2013 ended with an operational surplus that allowed a \$5.3 million transfer to other funds and a slight \$716,518 improvement to the General Fund balance. Likewise, fiscal 2014 ended with a \$1.5 million addition to fund balance after approximately \$4.7 million was transferred out to other funds. The fiscal year-end 2014 total General Fund balance of \$19.3 million equates to adequate 17.9% of revenues. General fund revenues are mostly derived from property taxes (35.7%), sales taxes (28%), and franchise fees (13.7%). Sales tax collections have grown an average of 5.3% over the last five years through fiscal 2014. After a decline 0.9% in sales taxes in fiscal 2011, annual increases in collection have grown stronger, especially in fiscal 2014 with a 12.1% increase over fiscal 2013. Management continues to conservatively budget for this economically sensitive revenue stream and reports that current collections in fiscal 2015 are trending up in excess of 4% for the same period last year. The city's sales tax revenues are primarily generated by business-to-business activity as there are no major retail outlets within the city. The fiscal 2015 budget of \$109.5 million is balanced and management plans to maintain reserves at the 60 day reserve policy. Moody's believes the city's financial operations will remain satisfactory as management has historically demonstrated the ability to implement expenditure controls and budget conservatively.

Liquidity

Cash maintained in the General Fund at fiscal year-end 2014 was \$15.3 million, which is a satisfactory 14.2% of revenues. Cash essentially mirrors the city's total General Fund balance, and is expected to do so in the near term future.

DEBT AND OTHER LIABILITIES: HIGH BUT MANAGEABLE DEBT BURDEN

The city's direct and overall debt burdens are 2.7% and 5.6% respectively, expressed as a percentage of fiscal 2015 taxable value and inclusive of the current transactions. Previous direct debt burden calculations excluded obligations paid by self-supporting enterprises. However, the 2.7% direct debt burden includes these obligations because the enterprise fund operations have not exhibited a trend of balanced operations without the use of reserves. This affects approximately \$50.7 million in outstanding debt (0.5% of fiscal 2015 full valuation). We will continue to monitor the self-supporting enterprise fund status for future debt burden calculations. The city plans to issue certificates of obligation on an annual basis to fund equipment purchases and water and sewer improvements. Officials report the possibility of returning to voters in November of 2015 for approximately \$50-\$60 million of additional general obligation debt authorization to fund projects related to streets, drainage, public buildings, parks, and neighborhood vitality. Moody's believes the city's debt burden will remain moderate as prudent debt management practices continue.

Debt Structure

Principal amortization is fairly quick with 79.8% retired in ten years, which also reflects the city's descending debt service schedule. Debt service accounted for 21.2% of the city's operating revenues, which is elevated in comparison to other Aaa rated entities.

Debt-Related Derivatives

All but approximately 8% of the city's outstanding debt is fixed rate. The Series 2011 general obligation and Series 2014A&B certificates of obligations are variable rate, but are not puttable to the city. Interest rates reset annually and the city is amortizing the principal. The city is not party to any interest rate swaps or other derivative

contracts.

Pensions and OPEB

The city has a manageable employee pension burden, based on unfunded liabilities for its share of the Texas Municipal Retirement System (TMRS), an agent multiple-employer plan administered by the state. Moody's fiscal 2014 adjusted net pension liability (ANPL) for the city, under our methodology for adjusting reported pension data, is \$177.2 million, or a manageable 1.31 times operating revenues. The three year average of the city's ANPL to Operating Revenues is 1.40 times, while the three-year average of ANPL to full value is a manageable 1.81%. Moody's ANPL reflects certain adjustments we make to improve comparability of reported pension liabilities. The adjustments are not intended to replace the city's reported liability information, but to improve comparability with other rated entities. For more information on Moody's insights on employee pensions and the related credit impact on companies, government, and other entities across the globe, please visit Moody's on Pensions at www.moody.com/pensions.

MANAGEMENT AND GOVERNANCE

Texas cities have an institutional framework score of "Aa" or strong. Cities rely on moderately stable property taxes (30% - 40%) as well as economically sensitive sales taxes (25% -35%) for their operating revenues, however cities maintain ample flexibility under the state mandated cap to raise property taxes. Expenditures are largely predictable and cities do have great flexibility in reducing expenditures given no union presence.

The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and six Council members. Under the most recent change to the City Charter voters simultaneously elect six Council members and a Mayor to represent them every two years. All Council members and the Mayor are elected at large, with four Council members representing each of the City's four districts. The City Manager is the chief administrative officer for the City.

KEY STATISTICS

- Assessed Value (Full Value), Fiscal 2015: \$10.8 billion
- Assessed Value (Full Value) Per Capita, Fiscal 2015: \$106,151
- Median Family Income as % of US Median (2012 American Community Survey): 132.6%
- Fund Balance as % of Revenues, Fiscal 2014: 15.32%
- 5-Year Dollar Change in Fund Balance as % of Revenues: 2.65%
- Cash Balance as % of Revenues, Fiscal 2014: 13.03%
- 5-Year Dollar Change in Cash Balance as % of Revenues: 0.81%
- Institutional Framework: "Aa"
- 5-Year Average Operating Revenues / Operating Expenditures: 1.01x
- Net Direct Debt as % of Assessed Value: 2.70%
- Net Direct Debt / Operating Revenues: 2.15x
- 3-Year Average ANPL as % of Assessed Value: 1.75%
- 3-Year Average ANPL / Operating Revenues: 1.40x

OBLIGOR PROFILE

The City of Richardson is located in north central Texas approximately 15 miles north of downtown Dallas. Approximately 63% of the city is in Dallas County and the balance is in Collin County. The city incorporates approximately 28.5 square miles and has approximately 1,008 employees.

LEGAL SECURITY

The bonds and certificates are secured by a direct and continuing ad valorem tax, levied within the limits of the

law, on all taxable property located within the city. Additionally, the certificates include a limited pledge of the net revenues of the city's waterworks and sewer system.

USE OF PROCEEDS

The bonds will refund certain maturities of the city's Series 2005 GO bonds, Series 2005 COs, Series 2006 GO bonds, and Series 2006 COs for an estimated net present value savings. The certificates of obligation will be used for a variety of capital improvements and equipment purchases.

PRINCIPAL METHODOLOGY

The principal methodology used in this rating was US Local Government General Obligation Debt published in January 2014. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

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