

**PRELIMINARY OFFICIAL STATEMENT  
DATED \_\_\_\_\_, 20\_\_**

**NEW ISSUE-BOOK-ENTRY ONLY**

UNDERLYING RATING – Moody's: "\_\_\_\_"  
INSURED RATING – S&P: "\_\_\_\_"  
(See "RATING" and "BOND INSURANCE" herein)

*In the opinion of Butler Snow LLP, Ridgeland, Mississippi, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2019 Bonds (as defined below) is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code (as defined herein). Such excludability is conditioned on continuing compliance with certain tax covenants of the Bank (as defined below) and the City (as defined below). In the opinion of Bond Counsel under existing laws, regulations, rulings and judicial decisions, interest on the Series 2019 Bonds is exempt from income taxation in the State of Mississippi. See "TAX MATTERS" herein and "APPENDIX D - FORM OF BOND COUNSEL OPINION" attached hereto.*

\$ \_\_\_\_\_  
**MISSISSIPPI DEVELOPMENT BANK  
SPECIAL OBLIGATION BONDS, SERIES 2019  
(HATTIESBURG, MISSISSIPPI GENERAL OBLIGATION BOND PROJECT)**

**Dated:     Date of Delivery**

**DUE: \_\_\_\_\_ 1, as shown on inside front cover**

The Mississippi Development Bank Special Obligation Bonds, Series 2019 (Hattiesburg, Mississippi General Obligation Bond Project) (the "**Series 2019 Bonds**"), are being issued by the Mississippi Development Bank (the "**Bank**"), will be dated the date of delivery thereof and will bear interest from that date to their respective maturities in the amounts and at the rates set forth on the inside cover. The Series 2019 Bonds will be dated the date of delivery, and will bear interest from that date to their respective maturities in the amounts and at the rates set forth below. The Series 2019 Bonds are issuable only as fully registered bonds and, when issued, will be registered in the name of CEDE & CO., as nominee for The Depository Trust Company, New York, New York ("**DTC**"). Purchases of beneficial interests in the Series 2019 Bonds will be made in book-entry-only form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers of beneficial interests in the Series 2019 Bonds will not receive physical delivery of certificates representing their interests in the Series 2019 Bonds. Interest on the Series 2019 Bonds is payable on \_\_\_\_\_ 1 and \_\_\_\_\_ 1 of each year, commencing \_\_\_\_\_ 1, 20\_\_\_. So long as DTC or its nominee is the Registered Owner of the Series 2019 Bonds, interest, together with the principal of and redemption premium, if any, on the Series 2019 Bonds will be paid directly to DTC by \_\_\_\_\_, \_\_\_\_\_, Mississippi, Trustee under the Indenture, all as defined and more fully described herein under the caption, "DESCRIPTION OF THE SERIES 2019 BONDS -- Book-Entry-Only System."

The scheduled payment of the principal of and interest on the Series 2019 Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2019 Bonds by \_\_\_\_\_ ("\_\_\_\_\_").

[Insert Bond Insurer Logo, if applicable]

The Series 2019 Bonds are issued by the Bank for the principal purpose of providing funds for the purchase of the City Bond (as defined herein) being issued by the City of Hattiesburg, Mississippi (the "City"), as more fully described in this Official Statement.

The Series 2019 Bonds are subject to redemption prior to maturity as more fully described herein. See "DESCRIPTION OF THE SERIES 2019 BONDS -- Redemption."

**THE SERIES 2019 BONDS ARE LIMITED AND SPECIAL OBLIGATIONS OF THE BANK AND ARE PAYABLE SOLELY OUT OF THE TRUST ESTATE OF THE BANK PLEDGED THEREFOR UNDER THE INDENTURE, INCLUDING THE CITY BOND AND PAYMENTS DERIVED THEREFROM, AS MORE FULLY DESCRIBED HEREIN. THE SERIES 2019 BONDS DO NOT CONSTITUTE A DEBT, LIABILITY OR LOAN OF THE CREDIT OF THE BANK, THE STATE OF MISSISSIPPI OR ANY POLITICAL SUBDIVISION THEREOF UNDER THE CONSTITUTION AND LAWS OF THE STATE OF MISSISSIPPI, OR A PLEDGE OF THE FULL FAITH AND CREDIT, TAXING POWER OR MORAL OBLIGATION OF THE BANK, THE STATE OF MISSISSIPPI OR ANY POLITICAL SUBDIVISION THEREOF; PROVIDED, HOWEVER, THAT THE CITY BOND IS SECURED BY THE FULL FAITH AND CREDIT AND TAXING POWER OF THE CITY. THE SOURCES OF PAYMENT OF, AND SECURITY FOR, THE SERIES 2019 BONDS ARE MORE FULLY DESCRIBED HEREIN. THE BANK HAS NO TAXING POWER.**

**THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. PROSPECTIVE INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.**

The Series 2019 Bonds are offered subject to the final approval of the legality thereof by Butler Snow LLP, Ridgeland, Mississippi, Bond Counsel. Certain legal matters will be passed upon for the Bank by Balch & Bingham LLP, Jackson, Mississippi, its counsel, and for the City by Moran M. Pope III, Hattiesburg, Mississippi. Government Consultants, Inc., Madison, Mississippi, serves as the Municipal Advisor to the Bank in connection with the sale and issuance of the Series 2019 Bonds. The Series 2019 Bonds are expected to be available in definitive form for delivery on or about \_\_\_\_\_, 2019.\*

**RAYMOND JAMES®**

The date of this Official Statement is \_\_\_\_\_, \_\_\_\_.

\*Preliminary, subject to change.

This Preliminary Official Statement and certain of the information contained herein is in a form deemed final for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (except for the omission of certain information permitted to be omitted under Rule 15c2-12(b)(1)). 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 a 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.

## SERIES 2019 BONDS

### MATURITY SCHEDULE

Year of Maturity	Principal Amount	Interest Rate	Yield	CUSIP*
2020	0			
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				

### TERM BONDS

\$\_\_\_\_,000 @ \_\_\_\_% due \_\_\_\_ 1, 20\_\_\_\_, Priced to Yield @ \_\_\_\_%, Cusip No. \_\_\_\_\_  
\$\_\_\_\_,000 @ \_\_\_\_% due \_\_\_\_ 1, 20\_\_\_\_, Priced to Yield @ \_\_\_\_%, Cusip No. \_\_\_\_\_

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\* The CUSIP numbers listed above are being provided solely for the convenience of the holders of the Series 2019 Bonds only, and the Bank, the City and the Underwriter does not make any representation with respect to such CUSIP numbers or undertake any responsibility for their accuracy. The CUSIP numbers are subject to being changed after the issuance of the Series 2019 Bonds as a result of various subsequent actions, including but not limited to a refunding in whole or in part of the Series 2019 Bonds.

**THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFERING OF ANY SECURITY OTHER THAN THE ORIGINAL OFFERING OF THE SERIES 2019 BONDS IDENTIFIED ON THE COVER HEREOF. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THAT CONTAINED IN THIS OFFICIAL STATEMENT, AND IF GIVEN OR MADE SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, AND THERE SHALL NOT BE ANY SALE OF THE SERIES 2019 BONDS BY ANY PERSON, IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE INFORMATION AND EXPRESSION OF OPINIONS HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR THE SALE OF ANY OF THE SERIES 2019 BONDS SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF.**

**THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITER HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS A PART OF, ITS RESPONSIBILITIES UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. INFORMATION HEREIN HAS BEEN OBTAINED FROM THE BANK, THE CITY, DTC AND OTHER SOURCES BELIEVED TO BE RELIABLE, BUT THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION IS NOT GUARANTEED BY THE UNDERWRITER.**

**UPON ISSUANCE, THE SERIES 2019 BONDS WILL NOT BE REGISTERED BY THE BANK UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR OTHER GOVERNMENTAL ENTITY OR AGENCY, OTHER THAN THE BANK (TO THE EXTENT DESCRIBED HEREIN), WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED THE SERIES 2019 BONDS FOR SALE.**

**THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT OR AGREEMENT BETWEEN THE BANK AND THE PURCHASERS OR HOLDERS OF THE SERIES 2019 BONDS. ALL ESTIMATES AND ASSUMPTIONS CONTAINED HEREIN ARE BELIEVED TO BE REASONABLE, BUT NO REPRESENTATION IS MADE THAT SUCH ESTIMATES OR ASSUMPTIONS ARE CORRECT OR WILL BE REALIZED.**

**IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2019 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.**

**THE PRICES AT WHICH THE SERIES 2019 BONDS ARE OFFERED TO THE PUBLIC BY THE UNDERWRITER (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE INSIDE COVER PAGE HEREOF. IN ADDITION, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS.**

**THIS OFFICIAL STATEMENT CONTAINS FORECASTS, PROJECTIONS AND ESTIMATES THAT ARE BASED ON EXPECTATIONS AND ASSUMPTIONS WHICH EXISTED AT THE TIME SUCH FORECASTS, PROJECTIONS AND ESTIMATES WERE PREPARED. IN LIGHT OF THE IMPORTANT FACTORS THAT MAY MATERIALLY AFFECT ECONOMIC CONDITIONS OF THE STATE, THE UNITED STATES OF AMERICA, AND THE CITY THE INCLUSION IN THIS OFFICIAL**

STATEMENT OF SUCH FORECASTS, PROJECTIONS AND ESTIMATES SHOULD NOT BE REGARDED AS A REPRESENTATION BY THE BANK, THE CITY OR THE UNDERWRITER THAT SUCH FORECASTS, PROJECTIONS AND ESTIMATES WILL OCCUR. SUCH FORECASTS, PROJECTIONS AND ESTIMATES ARE NOT INTENDED AS REPRESENTATIONS OF FACT OR GUARANTEES OF RESULTS.

IF AND WHEN INCLUDED IN THIS OFFICIAL STATEMENT, THE WORDS "EXPECTS," "FORECASTS," "PROJECTS," "INTENDS," "ANTICIPATES," "ESTIMATES" AND ANALOGOUS EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS AND ANY SUCH STATEMENTS INHERENTLY ARE SUBJECT TO A VARIETY OF RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE PROJECTED. SUCH RISKS AND UNCERTAINTIES INCLUDE, AMONG OTHERS, GENERAL ECONOMIC AND BUSINESS CONDITIONS, CHANGES IN POLITICAL, SOCIAL AND ECONOMIC CONDITIONS, REGULATORY INITIATIVES AND COMPLIANCE WITH GOVERNMENTAL REGULATIONS, LITIGATION AND VARIOUS OTHER EVENTS, CONDITIONS AND CIRCUMSTANCES, MANY OF WHICH ARE BEYOND THE CONTROL OF THE BANK AND THE CITY. THESE FORWARD-LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE OF THIS OFFICIAL STATEMENT. THE BANK DISCLAIMS ANY OBLIGATION OR UNDERTAKING TO RELEASE PUBLICLY ANY UPDATES OR REVISIONS TO ANY FORWARD-LOOKING STATEMENT CONTAINED HEREIN TO REFLECT ANY CHANGE IN THE BANK'S EXPECTATIONS WITH REGARD THERETO OR ANY CHANGE IN EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH ANY SUCH STATEMENT IS BASED.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE CAPTIONS AND HEADINGS IN THIS OFFICIAL STATEMENT ARE FOR CONVENIENCE OF REFERENCE ONLY, AND IN NO WAY DEFINE, LIMIT OR DESCRIBE THE SCOPE OR INTENT, OR AFFECT THE MEANING OR CONSTRUCTION, OF ANY PROVISION OR SECTIONS OF THIS OFFICIAL STATEMENT. THE OFFERING OF THE SERIES 2019 BONDS IS MADE ONLY BY MEANS OF THIS OFFICIAL STATEMENT.

\_\_\_\_\_ ("\_\_\_\_") MAKES NO REPRESENTATION REGARDING THE SERIES 2019 BONDS OR THE ADVISABILITY OF INVESTING IN THE SERIES 2019 BONDS. IN ADDITION, \_\_\_\_\_ HAS NOT INDEPENDENTLY VERIFIED, MAKES NO REPRESENTATION REGARDING, AND DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT OR ANY INFORMATION OR DISCLOSURE CONTAINED HEREIN, OR OMITTED HEREFROM, OTHER THAN WITH RESPECT TO THE ACCURACY OF THE INFORMATION REGARDING BAM, SUPPLIED BY BAM AND PRESENTED UNDER THE HEADING "BOND INSURANCE" AND "APPENDIX G - SPECIMEN MUNICIPAL BOND INSURANCE POLICY".

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## OFFICIAL STATEMENT

§ \_\_\_\_\_  
**MISSISSIPPI DEVELOPMENT BANK**  
**SPECIAL OBLIGATION BONDS, SERIES 2019**  
**(HATTIESBURG, MISSISSIPPI GENERAL OBLIGATION BOND PROJECT)**

### INTRODUCTION

The purpose of this Official Statement, including its APPENDICES, is to set forth certain information concerning the sale and issuance by the Mississippi Development Bank (the "**Bank**") of its Mississippi Development Bank Special Obligation Bonds, Series 2019 (Hattiesburg, Mississippi General Obligation Bond Project) (the "**Series 2019 Bonds**"), issued in the aggregate principal amount of \$ \_\_\_\_\_.

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and all APPENDICES hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Series 2019 Bonds to potential investors is made only by means of the entire Official Statement.

#### **The Bank**

The Bank was established in 1986 as a separate body corporate and politic of the State of Mississippi (the "**State**") for the public purposes set forth under the provisions of Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended (the "**Bank Act**"). The Bank is not an agency of the State, is separate from the State in its corporate and sovereign capacity and has no taxing power. The Bank is governed by a Board of Directors composed of nine (9) members.

Pursuant to the Bank Act, the purpose of the Bank is to assist "local governmental units," as defined in the Bank Act to be (i) any county, municipality, utility district, regional solid waste authority, county cooperative service district or political subdivision of the State of Mississippi, (ii) the State of Mississippi or any agency thereof, (iii) the institutions of higher learning of the State of Mississippi, (iv) any education building corporation established for institutions of higher learning, or (v) any other governmental unit created under state law, such as the City, through programs of purchasing the bonds, notes or evidences of indebtedness of such local governmental units under agreements between such local governmental units and the Bank. The entity described in APPENDIX A (the "**City**") is such a local governmental unit.

#### **Sources of Payment and Security for the Series 2019 Bonds**

The Series 2019 Bonds will be issued by and under and secured by an Indenture of Trust dated the date of delivery (the "**Indenture**"), by and between the Bank and \_\_\_\_\_, \_\_\_\_\_, Mississippi, as Trustee (the "**Trustee**"). The principal of, redemption premium, if any, and interest on any and all of the Series 2019 Bonds, together with any additional bonds or refunding bonds (the "**Refunding Bonds**") that may be authorized and issued by the Bank under the Indenture on a parity with the Series 2019 Bonds (collectively, the "**Bonds**"), are payable from those revenues and funds of the Bank which, together with the general obligation bond issued by the City (the "**City Bond**"), as defined and described herein, pursuant to Sections 21-33-301 *et seq.*, Mississippi Code of 1972, as amended (the "**City Bond Act**" and together with the Bank Act, the "**Act**"), are pledged pursuant to the Indenture for the benefit of the owners of the Series 2019 Bonds without priority. The full faith and credit and taxing power of the State are not



pledged to the payment of the principal of, premium, if any, and interest on any of the Series 2019 Bonds. The Series 2019 Bonds are not a debt, liability, loan of the credit or pledge of the full faith and credit, moral obligation of the State or of any political subdivision; provided, however, that the City Bond is secured by the full faith and credit and taxing power of the City. The Bank has no taxing power and has only those powers and sources of revenue set forth in the Bank Act. The Series 2019 Bonds are issued and secured separately from any other obligations issued by the Bank.

The Series 2019 Bonds are secured by the pledge of the Trust Estate established under the Indenture (the "**Trust Estate**"), defined to be (i) cash and securities in the funds and accounts established by the Indenture (except the Rebate Fund, as described herein) (the "**Funds**" and "**Accounts**") and the investment earnings thereon and all proceeds thereof, (ii) the City Bond and the earnings thereon and the proceeds thereof, and (iii) all funds, accounts and moneys hereinafter pledged to the Trustee as security by the Bank. All Series 2019 Bonds will be secured equally and ratably by all of the foregoing. The sources of payment for the Series 2019 Bonds are further described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS," and "APPENDIX C."

The principal of and interest on the City Bond are payable out of certain revenues as hereinafter defined. The following City Bond is scheduled to be purchased with proceeds of the Series 2019 Bonds: \$\_\_\_\_\_ City of Hattiesburg, Mississippi General Obligation Bond, Series 2019 (the "**City Bond**"). The sources of payment on the City Bond are further described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS" and "APPENDIX C."

#### **[Bond Insurance Policy]**

Concurrently with the issuance of the Series 2019 Bonds, \_\_\_\_\_ ("**\_\_\_\_\_**") will issue its Municipal Bond Insurance Policy for the Bonds (the "**Bond Insurance Policy**"). The Bond Insurance Policy guarantees the scheduled payment of principal of and interest on the Series 2019 Bonds when due as set forth in the form of the Bond Insurance Policy included in APPENDIX G to this Official Statement. See "BOND INSURANCE" AND APPENDIX G – SPECIMEN MUNICIPAL BOND INSURANCE POLICY" herein.]

#### **Purpose of the Series 2019 Bonds**

The Series 2019 Bonds are being issued pursuant to the Act to purchase the City Bond to provide funds for (i) constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land therefor; (ii) erecting, repairing, improving, adorning, equipping and furnishing municipal buildings, and purchasing buildings and land therefor; (iii) protecting a municipality, its streets and sidewalks from overflow, caving banks and other like dangers; (iv) constructing bridges and culverts; and (v) for other authorized purposes under the City Bond Act and the Bank Act (the "**Construction Project**"), [(b) funding capitalized interest,] and (c) paying costs of issuance of the Series 2019 Bonds and the City Bond, [including the payment for the Bond Insurance Policy].

#### **Authority for Issuance**

The Series 2019 Bonds are issued pursuant to the provisions of the Act and the Indenture.

#### **Description of the Series 2019 Bonds**

Redemption. The Series 2019 Bonds are subject to redemption as set forth hereinafter under the caption "DESCRIPTION OF THE SERIES 2019 BONDS -- Redemption."

Denominations. The Series 2019 Bonds will be issued in denominations of \$5,000 or any integral multiple thereof.

Registration, Transfers, and Exchanges. The Series 2019 Bonds will be issued only as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee for DTC. Purchases of beneficial interests in the Series 2019 Bonds will be made in book entry only form. Purchasers of beneficial interests in the Series 2019 Bonds will not receive physical delivery of certificates representing their respective interests in the Series 2019 Bonds.

Payments. Interest on the Series 2019 Bonds is payable on \_\_\_\_ 1 and \_\_\_\_ 1 of each year, and, so long as DTC or its nominee is the Registered Owner of the Series 2019 Bonds, such interest, together with the principal of and redemption premium, if any, on the Series 2019 Bonds will be paid directly to DTC by \_\_\_\_, \_\_\_\_, Mississippi, as Trustee under the Indenture. The final disbursement of such payments to the Beneficial Owners of the Series 2019 Bonds will be the responsibility of the DTC Participants and the Indirect Participants, all as more fully defined and described herein under the caption "DESCRIPTION OF THE SERIES 2019 BONDS -- Book-Entry-Only System."

**For a more complete description of the Series 2019 Bonds and the basic documentation pursuant to which the Series 2019 Bonds are being issued, see the captions "DESCRIPTION OF THE SERIES 2019 BONDS," "REVENUES, FUNDS AND ACCOUNTS," and "OPERATION OF FUNDS AND ACCOUNTS," in this Official Statement.**

### **Tax Exemption**

In the opinion of Bond Counsel, under existing laws, regulations, rulings, and judicial decisions, interest on the Series 2019 Bonds is excludable from gross income for federal tax purposes, with such excludability conditioned upon continuing compliance with certain tax covenants of the Bank and the City. Interest on the Series 2019 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax; however, for tax year beginning before January 1, 2018, interest on the Series 2019 Bonds is included in determining adjusted current earnings for purposes of computing the alternative minimum taxable income on corporations.

Under existing laws, regulations, rulings, and judicial decisions, interest on the Series 2019 Bonds is exempt from State income taxation.

For a more complete description of the opinion of Bond Counsel and certain other income tax consequences incident to the ownership of the Series 2019 Bonds, see the caption "TAX MATTERS" in this Official Statement. See "APPENDIX D" for the proposed form of Bond Counsel opinion.

### **Professionals Involved in the Offering**

\_\_\_\_\_, \_\_\_\_\_, Mississippi, will act as Trustee under the Indenture for the Series 2019 Bonds. Government Consultants, Inc., Madison, Mississippi, is employed as Municipal Advisor to the Bank (the "**Municipal Advisor**") with respect to the Series 2019 Bonds. Certain proceedings in connection with the issuance of the Series 2019 Bonds are subject to the approval of Butler Snow LLP, Ridgeland, Mississippi, Bond Counsel (the "**Bond Counsel**"). Certain legal matters will be passed upon for the Bank by Balch & Bingham LLP, Jackson, Mississippi and for the City by, Moran M. Pope III,

Hattiesburg, Mississippi. See the caption "LEGAL MATTERS" and "MISCELLANEOUS" in this Official Statement.

### **Offering and Delivery of the Series 2019 Bonds**

Subject to the final approval of the legality thereof by Bond Counsel, the Series 2019 Bonds are expected to be available in definitive form for delivery on or about \_\_\_\_\_, 20\_\_.

### **Risks to the Owners of the Series 2019 Bonds**

There are certain risks involved in the ownership of the Series 2019 Bonds which should be considered by prospective purchasers. The ability of the Bank to pay principal of, redemption premium, if any, and interest on the Series 2019 Bonds depends primarily upon the receipt by the Bank of City Bond payments (the "**City Bond Payments**") from the City participating in the program (the "**Program**") which is obligated to make such payments to the Bank, together with investment earnings on certain amounts in the Funds and Accounts defined in and established under the Indenture. There can be no representation or assurance that the City will realize sufficient Revenues to make the required City Bond Payments. See the caption, "SECURITY AND SOURCES OF PAYMENT." Failure of the Bank and/or the City to comply with certain tax covenants may also adversely affect the exempt status of the interest on all of the Series 2019 Bonds. See the caption "RISKS TO THE OWNERS OF THE SERIES 2019 BONDS" in this Official Statement.

### **Other Information**

This Official Statement speaks only as of its date, and certain information contained herein is subject to change.

Copies of other documents and information are available, upon request, and upon payment to the Bank of a charge for copying, mailing, and handling, from E.F. Mitcham, Executive Director, Mississippi Development Bank, 735 Riverside Drive, Suite 300, Jackson, Mississippi 39202, telephone (601) 355-6232.

NO DEALER, BROKER, SALESMAN OR OTHER REPRESENTATIVE OF THE UNDERWRITER OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, AND THERE SHALL NOT BE ANY SALE OF THE SERIES 2019 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE BANK, THE CITY, DTC AND OTHER SOURCES WHICH ARE BELIEVED TO BE RELIABLE, BUT IT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE BANK SINCE THE DATE HEREOF.

**THE SERIES 2019 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED.**

**Format of Official Statement**

There follows in this Official Statement a description of the security and sources of payment for the Series 2019 Bonds, the purposes and operation of the Bank's Program to be financed out of the proceeds of the Series 2019 Bonds, the Bank, and summaries of certain provisions of the Series 2019 Bonds, the Indenture, and certain provisions of the Act. All discussions of the Act and the Indenture are qualified in their entirety by reference to the Act and the Indenture, copies of which are available from the Bank, and all discussions of the Series 2019 Bonds are qualified in their entirety by reference to the definitive form and the information with respect to the Series 2019 Bonds contained in the Indenture. Certain information relating to the City is set forth in "APPENDIX A," certain financial and economic information relating to the City is set forth in "APPENDIX B," the form of the City Bond Resolution and the City Bond is set forth in "APPENDIX C," the proposed form of opinion of Bond Counsel with respect to the Series 2019 Bonds is set forth in "APPENDIX D," certain definitions of certain terms used in this Official Statement are set forth in "APPENDIX E" and the form of the continuing disclosure certificate of the City as set forth in "APPENDIX F", and the form of the Bond Insurance Policy is set forth in "APPENDIX G – SPECIMEN MUNICIPAL BOND INSURANCE POLICY." Each of the APPENDICES to this Official Statement is an integral part of this Official Statement and should be read in its entirety by any and all owners or prospective owners of the Series 2019 Bonds.

**SECURITY AND SOURCES OF  
PAYMENT FOR THE SERIES 2019 BONDS**

**General**

The Series 2019 Bonds are payable only out of the Trust Estate. The Indenture creates a continuing pledge of and lien upon the Trust Estate to secure the full and final payment of the principal of, premium, if any, and interest on all of the Series 2019 Bonds. The Series 2019 Bonds do not constitute a debt, liability or loan of the credit of the State or any political subdivision thereof under the constitution of the State or a pledge of the full faith and credit and taxing power or moral obligation of the State or any political subdivision thereof; provided, however, that the City Bond is a general obligation of the City. The Bank has no taxing power. The sources of payment of, and security for, the Series 2019 Bonds are more fully described below.

Under the Indenture, the Series 2019 Bonds are secured by a pledge to the Trustee of the City Bond and all City Bond Payments, as described herein. In addition, the Indenture pledges to the payment of the Series 2019 Bonds all proceeds of the Trust Estate, including without limitation all cash and securities held in the Funds and Accounts created by the Indenture, except for the Rebate Fund, together with investment earnings thereon and proceeds thereof (except to the extent transferred to the Rebate Fund or from such Funds and Accounts under the Indenture), and all other funds, accounts and moneys to be pledged by the Bank to the Trustee as security under the Indenture, to the extent of any such pledge.

**The City and the City Bond**

From the proceeds of the Series 2019 Bonds, the Bank intends to purchase and, upon purchase, will pledge to the Trustee the City Bond of the City, as described in "APPENDIX C."

**Provisions for Payment of the City Bond**

The City Bond will be a general obligation of the City. The City Bond Resolution provides that the City is unconditionally obligated to make payments secured by the full faith and credit of the City in an aggregate amount sufficient, with any other funds available therefor, for the payment in full of the principal of, premium, if any, and interest on all Series 2019 Bonds issued and Outstanding under the Indenture, to the date of payment thereof, and certain costs, expenses and charges of the Bank and the Trustee.

In the City Bond Resolution, the City covenants to levy a direct, continuing special tax upon all of the taxable property within the geographical limits of the City, adequate and sufficient, after allowance shall have been made for the expenses of collection and delinquencies in the payment of taxes, to produce sums required for the payment of the principal of premium, if any, and the interest on the City Bond and any additional obligations of the City under the City Bond Resolution; provided, however, that such tax levy for any year shall be abated pro tanto to the extent the City on or prior to September 1 of that year has transferred money to the 2019 Bond Fund of the City Bond, or has made other provisions for funds, to be applied toward the payment of the principal of and interest on the City Bond due during the ensuing fiscal year of the City, in accordance with the provisions of the City Bond Resolution. Said tax shall be extended upon the tax rolls and collected in the same manner and at the same time as other taxes of the City are collected, and the rate of tax which shall be so extended shall be sufficient in each year fully to produce the sums required as aforesaid, without limitation as to time, rate or amount. The avails of said tax are irrevocably pledged in the City Bond Resolution for the payment of the principal of, premium, if any, and interest on the City Bond and any additional obligations of the City as aforesaid as the same shall respectively mature and accrue.

**The City Bond will never, within the meaning of any constitutional or statutory limitation, be a debt, liability, or obligation of the State or any political subdivision of the State other than the City, and neither the full faith and credit nor taxing power or moral obligation of the State or any political subdivision thereof is pledged to the payment of the principal, premium, if any, and interest on the City Bond; provided, however, that the City Bond is a general obligation of the City.** The City Bond initially issued under the City Bond Resolution shall be issued for the purposes of providing funds to finance costs of the (i) Construction Project [(ii) pay capitalized interest] and (iii) payment of costs of issuance of the Series 2019 Bonds and the City Bond, [including the premium for the Bond Insurance Policy].

The issuance of the City Bond shall be authorized by resolution of the Mayor and City Council of the City (the "**Governing Body**") adopted pursuant to the Act. See "APPENDIX C" for further description of the City Bond.

## **RISKS TO THE OWNERS OF THE SERIES 2019 BONDS**

### **General**

The Series 2019 Bonds will be payable solely from the payments to be made by the Bank under the Indenture. Pursuant to the Indenture, such payments are limited to City Bond Payments payable by the City on the City Bond pursuant to the City Bond Resolution. No reserve fund has been established for the payment of debt service on the Series 2019 Bonds or the City Bond. Purchasers of the Series 2019 Bonds are advised of certain risk factors with respect to the City Bond.

In addition, purchasers of the Series 2019 Bonds are advised of certain additional information in connection with the City as set forth in "APPENDIX A" and "APPENDIX B."

## **City Bond**

The ability of the Bank to pay principal of, redemption premium, if any, and interest on the Series 2019 Bonds depends primarily upon the receipt by the Bank of City Bond Payments from the City which is obligated under the City Bond Resolution to make such payments to the Bank, together with earnings on the amounts in the Funds and Accounts created under the Indenture sufficient to make such payments. There is no Indenture Fund or Account which is required to contain amounts to make up for any deficiencies in the event of one or more defaults by the City in making such City Bond Payments, and there is no source from which the General Fund will be replenished except the City Bond Payments and investment income on moneys in the Funds and Accounts; and further, no reserve fund is created in the Indenture or the City Bond Resolution to pay debt service on the Series 2019 Bonds or the City Bond.

## **Tax Covenants**

The Bank has covenanted under the Indenture to use its best efforts to comply with all actions required to assure the continuing excludability of interest on the Series 2019 Bonds from gross income or federal income tax purposes. Failure by the Bank to comply with such covenants could cause the interest on the Series 2019 Bonds to be includable in gross income for federal income tax purposes retroactive to the date of issuance. Further, the City has covenanted in the City Bond Resolution that it will comply with certain requirements under the Code to ensure continuing excludability from gross income for federal income tax purposes of interest on the Series 2019 Bonds. Failure by the City to comply with such requirements could cause the interest on such Series 2019 Bonds to be includable in gross income for federal income tax purposes retroactive to the date of issuance. See the caption "TAX MATTERS."

## **Remedies**

The remedies available to the Trustee, to the Bank or to the owners of the Series 2019 Bonds upon an Event of Default under the Indenture or under the terms of the City Bond purchased by the Bank are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically the Bankruptcy Code, the remedies provided in the Indenture and under the City Bond may not be readily available or may be limited.

## **Certain Bankruptcy Risks**

In the event the City were to become a debtor under the Bankruptcy Code, payments under the City Bond Resolution may be stayed or under certain circumstances may be subject to avoidance or disgorgement and the interest of the Trustee in such payments may not extend to payments acquired after the commencement of such a bankruptcy case or within ninety (90) days prior thereto. Under existing Constitutional and statutory law and judicial decisions, including specifically the Bankruptcy Code, the remedies provided in the City Bond Resolution and the Indenture may not be readily available or may be limited. The various legal opinions delivered concurrently with the delivery of the City Bond will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally. Furthermore, if a bankruptcy court concludes that the Trustee has "adequate protection," it may enter orders affecting the security of the Trustee, including orders providing for the substitution, subordination and sale of the security of the Trustee. In addition, a reorganization plan may be adopted even though it has not been accepted by the Trustee if the Trustee is provided with the benefit of its original lien or the "indubitable equivalent." Thus, in the event of the bankruptcy of the City, the amount realized by the Trustee may depend on the bankruptcy court's interpretation of "indubitable

equivalent" and "adequate protection" under the then existing circumstances. The bankruptcy court may also have the power to invalidate certain provisions of the City Bond Resolution, the Indenture, or related documents that make bankruptcy and related proceedings by the City an Event of Default thereunder. All of these events would adversely affect the payment of debt service on the Series 2019 Bonds.

### **Limitation on Enforceability of Security Interests**

The remedies available upon an Event of Default under the Indenture and the City Bond Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically the Bankruptcy Code, the remedies provided in the Indenture and the City Bond Resolution may not be readily available or may be limited. The various legal opinions delivered concurrently with the delivery of the Series 2019 Bonds and the City Bond may be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

The pledge of the full faith and credit granted by the City in the City Bond Resolution may be limited by a number of factors, including the ability to collect levied taxes. Under current law, such a pledge and assignment as attempted to be effected by the City Bond Resolution may be further limited by the following: (a) statutory liens; (b) rights arising in favor of the United States of America or any agency thereof; (c) prohibitions against assignment set forth in federal statutes; (d) constructive trusts, equitable liens or other rights which might be impressed or conferred by any state or federal court in the exercise of equitable jurisdiction; (e) federal bankruptcy laws affecting taxes and other revenues of the City received within ninety (90) days preceding and after any effectual institution of bankruptcy, liquidation or reorganization proceedings by or against the City; (f) rights of third parties in revenues converted to cash and not in the possession of the Trustee; and (g) sales, liens and/or pledges made by the City. If an Event of Default does occur, it is uncertain that the Trustee could successfully obtain an adequate remedy at law or in equity.

### **Failure to Compel the Levy of Taxes on the City Bond**

The City Bond will be a general obligation of the City payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to rate or amount upon the taxable property within the geographical limits of the City; provided, however, that such tax levy for any year shall be abated pro tanto to the extent the City on or prior to September 1 of that year has transferred money to the 2019 Bond Fund of the City Bond, or has made other provisions for funds, to be applied toward the payment of the principal of and interest on the City Bond due during the ensuing fiscal year of the City, in accordance with the provisions of the City Bond Resolution. The City, when necessary, will levy annually a special tax upon all taxable property within the geographical limits of the City adequate and sufficient to provide for the payment of the principal of and the interest of the City Bond as the same falls due.

The qualified electors of the State of Mississippi voted in a general election held on November 7, 1995, to amend the Mississippi Constitution of 1890 (the "**Constitution**") to add the following new Section 172A (the "**Amendment**"):

SECTION 172A. Neither the Supreme Court nor any inferior court of this state shall have the power to instruct or order the state or any political subdivision thereof, or an official of the state or any political subdivision, to levy or increase taxes.

The Amendment does not affect the underlying obligation to pay the principal of and interest on the City Bond as it matures and becomes due, nor does it affect the obligation to levy a tax sufficient to accomplish that purpose. However, even though it appears that the Amendment was not intended to affect remedies of a holder of the City Bond in the event of a payment default, it potentially prevents such holder from obtaining a writ of mandamus to compel the levying of taxes to pay the principal of and interest on the City Bond in a Court of the State of Mississippi. It is not certain whether the Amendment would affect the right of a Federal Court to direct the levy of a tax to satisfy a contractual obligation. Other effective remedies are available to the holder of the City Bond in the event of a payment default with respect to the City Bond. For example, such holder can seek a writ of mandamus to compel the City to use any legally available moneys to pay the debt service on the City Bond, and if such writ of mandamus is issued and public officials fail to comply with such writ, then such public officials may be held in contempt of court. In addition, pursuant to Mississippi Constitution §175, all public officials who are guilty of willful neglect of duty may be removed from office.

## DESCRIPTION OF THE SERIES 2019 BONDS

### **General Description**

The Series 2019 Bonds are issuable under the Indenture as fully registered bonds. When issued, the Series 2019 Bonds will be registered in the name of and held by Cede & Co., as nominee for DTC. Purchases of beneficial interests from DTC in the Series 2019 Bonds will be made in book-entry-only form (without certificates) in the denomination of \$5,000 or any integral multiple thereof (see the heading, "Book-Entry-Only System" under this caption).

The Series 2019 Bonds will mature in the amounts and on the dates, and bear interest at the rates per annum, set forth on the cover page of this Official Statement. Interest on the Series 2019 Bonds will be payable semiannually on \_\_\_\_\_ 1 and \_\_\_\_\_ 1 of each year, commencing \_\_\_\_\_ 1, 20\_\_\_. Interest will be calculated on the basis of a 360-day year consisting of twelve thirty-day months.

Each Series 2019 Bond will be dated the day of delivery. If any Series 2019 Bond is authenticated on or prior to the day of delivery, it will bear interest from such date. Each Series 2019 Bond authenticated after the day of delivery, will bear interest from the most recent date on which interest was payable (the "**Interest Payment Date**") and has been paid on or prior to the date of authentication of such Series 2019 Bond, unless such Series 2019 Bond is authenticated after the fifteenth day of the calendar month preceding an Interest Payment Date (the "**Record Date**") and on or prior to the next following Interest Payment Date, in which case such Series 2019 Bond will bear interest from such following Interest Payment Date.

So long as DTC or its nominee is the Registered Owner of the Series 2019 Bonds, payments of the principal of, redemption premium, if any, and interest on the Series 2019 Bonds will be made directly by the Trustee by wire transfer of funds to Cede & Co., as nominee for DTC. Disbursement of such payments to the participants of DTC (the "**DTC Participants**") will be the sole responsibility of DTC, and the ultimate disbursement of such payments to the Beneficial Owners, as defined herein, of the Series 2019 Bonds will be the responsibility of the DTC Participants and the Indirect Participants, as defined herein. See the heading, "Book-Entry-Only System" under this caption.

If the Series 2019 Bonds are no longer in a book-entry-only system, the principal of the Series 2019 Bonds will be payable upon maturity or redemption at the principal corporate trust office of the Trustee in \_\_\_\_, Mississippi, and interest on the Series 2019 Bonds will be paid by check of the Trustee dated the due date and mailed or delivered on or before the Business Day prior to each Interest Payment



Date to the Registered Owners of record as of the close of business on the most recent Record Date or, at the written election of the Registered Owner of \$1,000,000 or more in aggregate principal amount of Series 2019 Bonds delivered to the Trustee at least one Business Day prior to the Record Date for which such election will be effective, by wire transfer to the Registered Owner or by deposit into the account of the Registered Owner if such account is maintained by the Trustee.

### **Book-Entry-Only System**

Unless and until the book-entry-only system has been discontinued, the Series 2019 Bonds will be available only in book-entry form in principal amounts of \$5,000 or any integral multiple thereof. DTC will initially act as securities depository for the Series 2019 Bonds. The Series 2019 Bonds will be initially issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Series 2019 Bond will be issued for each maturity of the Series 2019 Bonds and will be deposited with DTC or pursuant to DTC's FAST registration procedures.

*The information provided under this caption has been provided by DTC. No representation has been made by the Bank, the City or the Original Purchasers as to the accuracy or adequacy of such information, or as to the absence of material adverse changes in such information subsequent to the date hereof.*

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, the National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Series 2019 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2019 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2019 Bond ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2019 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not

receive certificates representing their ownership interests in Series 2019 Bonds, except in the event that use of the book-entry system for the Series 2019 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2019 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2019 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2019 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts the Series 2019 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2019 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2019 Bonds, such as redemptions, tenders, defaults and proposed amendments to the Bond Documents. For example, Beneficial Owners of the Series 2019 Bonds may wish to ascertain that the nominee holding the Series 2019 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2019 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2019 Bonds to be redeemed.

Neither DTC nor Cede & Co., (nor any other DTC nominee) will consent or vote with respect to the Series 2019 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an "Omnibus Proxy" to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2019 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal payments and interest payments on the Series 2019 Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Bank or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Trustee, or the Bank subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal payments and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Bank or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2019 Bonds at any time by giving reasonable notice to the Bank or the Trustee. Under such circumstances, in the

event that a successor depository is not obtained, Series 2019 Bond certificates are required to be printed and delivered.

The Bank may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2019 Bond certificates in definitive form will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Bank, the City and the Original Purchaser believe to be reliable, but neither the Bank, the City nor the Original Purchaser take any responsibility for the accuracy thereof.

So long as Cede & Co. is the registered holder of the Series 2019 Bonds as nominee of DTC, references herein to the Holders, holders, owners or Registered Owners of the Series 2019 Bonds mean Cede & Co. and not the Beneficial Owners of the Series 2019 Bonds.

**THE BANK, THE TRUSTEE, THE CITY AND THE UNDERWRITER CANNOT AND DO NOT GIVE ANY ASSURANCES THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE SERIES 2019 BONDS (A) PAYMENTS OF PRINCIPAL OF, REDEMPTION PRICE OF OR INTEREST ON THE SERIES 2019 BONDS; (B) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN SERIES 2019 BONDS; OR (C) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNERS OF THE SERIES 2019 BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC OR DIRECT OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.**

**NEITHER THE BANK, THE CITY, THE TRUSTEE NOR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (B) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF, REDEMPTION PRICE OF, OR INTEREST ON THE SERIES 2019 BONDS; (C) THE DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDHOLDERS; (D) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2019 BONDS; OR (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.**

### **Redemption**

Optional Redemption. The Series 2019 Bonds (or any portions thereof in integral multiples of \$5,000 each) maturing on or after \_\_\_\_\_ 1, 20\_\_, are subject to redemption in whole or in part, in principal amounts and maturities selected by the Bank on any date on or after \_\_\_\_\_ 1, 20\_\_, at par, plus accrued interest to the date of redemption. Under the Indenture, selection of Series 2019 Bonds to be redeemed within a maturity will be made by lot by the Trustee. In accordance with DTC's standard

practices and its agreement with the Bank, DTC and the DTC Participants will make this selection so long as the Series 2019 Bonds are in book-entry form.

Mandatory Sinking Fund Redemption. The Bonds maturing \_\_\_\_ 1, 20\_\_\_\_, are subject to mandatory sinking fund redemption, in part, prior to maturity, or redemption, in whole, as otherwise provided in the Indenture on each \_\_\_\_ 1, in each of the years set forth below, at one hundred percent (100%) of the principal amount so redeemed or paid, plus accrued interest as set forth below:

<b>\$____,000</b>	
<b>Term Bond Maturing ____ 1, 20____</b>	
<b>Year</b>	<b>Principal Amount</b>
20____	\$,000
20____	,000
20____	,000
20____	,000
20____*	,000

**\* Final Maturity**

The Bonds maturing \_\_\_\_ 1, 20\_\_\_\_, are subject to mandatory sinking fund redemption, in part, prior to maturity, or redemption, in whole, as otherwise provided in the Indenture on each \_\_\_\_ 1, in each of the years set forth below, at one hundred percent (100%) of the principal amount so redeemed or paid, plus accrued interest as set forth below:

<b>\$____,000</b>	
<b>Term Bond Maturing ____ 1, 20____</b>	
,	
<b>Year</b>	<b>Principal Amount</b>
20____	\$,000
20____	,000
20____	,000
20____	,000
20____*	,000

**\* Final Maturity**

Notice of Redemption. Notice of the call for any redemption, identifying the Series 2019 Bonds (or any portions thereof in integral multiples of \$5,000 each) to be redeemed (which may be a conditional notice of redemption), will be given by the Trustee at least 30 days but not more than 45 days prior to the date fixed for redemption by mailing a copy of the redemption notice by registered or certified mail to the Registered Owner of each Series 2019 Bond to be redeemed at the address shown on the registration records. Failure to mail such notice to any particular owner of Series 2019 Bonds, or any defect in the notice mailed to any such owner of Series 2019 Bonds, will not affect the validity of the call for the redemption of any other Series 2019 Bonds. So long as DTC or its nominee is the Registered Owner of the Series 2019 Bonds, notice of the call for any redemption will be given to DTC, and not directly to Beneficial Owners. See the caption, "DESCRIPTION OF THE SERIES 2019 BOND -- Book-Entry-Only System."

Redemption Payments. The Trustee will apply funds deposited with the Trustee by the Bank in an amount sufficient to pay the Redemption Price of the Series 2019 Bonds, or portions thereof called, together with accrued interest thereon to the redemption date. After the redemption date, if proper notice of redemption by mailing has been given and sufficient funds have been deposited with the Trustee, interest will cease to accrue on the Series 2019 Bonds that have been called.

### **APPLICATION OF THE PROCEEDS OF THE SERIES 2019 BONDS**

The proceeds of sale of the Series 2019 Bonds which is equal to \$\_\_\_\_\_ will be applied as follows:

<b>Sources of Funds</b>	
Series 2019 Bond Proceeds	\$
Original Issue Premium	\$
Total Sources of Funds	\$
<b>Uses of Funds</b>	
Deposit to General Fund, Purchase Account for Purchase of the City Bond	\$
Deposit to the General Fund, Capitalized Interest Account	
Deposit to the General Fund, Bond Issuance Expense Account	
Total Uses of Funds	\$

### **THE MISSISSIPPI DEVELOPMENT BANK**

#### **General**

The Bank was created in 1986 and is organized and existing under and by virtue of the Bank Act as a separate body corporate and politic for the public purposes set forth in the Bank Act. The Bank is not an agency of the State, is separate from the State in its corporate and sovereign capacity and has no taxing power.

The Bank is granted under the Bank Act the power to borrow money and issue its bonds in such principal amounts as it shall deem necessary to provide funds to accomplish a public purpose or purposes of the State provided for under the Bank Act, including purchasing bonds, notes or evidences of indebtedness, such as the City Bond, from local governmental units, such as the City.

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### **Organization and Membership of the Bank**

The Bank is governed by a nine (9) member Board of Directors (the "**Board of Directors**"). The members of the Board of Directors are elected by the members of the Mississippi Business Finance Corporation (the "**MBFC**") at the time and place fixed by the MBFC's by-laws. Appointments are for terms of one year. Members of the Board of Directors serve until they are replaced or re-appointed. The members of the Board of Directors as of the date of this Official Statement are as follows:

<b>NAME</b>	<b>OCCUPATION</b>	<b>TERM</b>
Carolyn Boteler	Owner, Temp Staff	08/01/18 – 07/31/19
Jabari Edwards	Owner, J5GBL Construction Co.	08/01/18 – 07/31/19
William L. Freeman, Jr.	Retired Bank President	08/01/18 – 07/31/19
William Griffin	Owner, Griffin & Griffin Exploration LLC	08/01/18 – 07/31/19
Gary Harkins	Real Estate Developer	08/01/18 – 07/31/19
Joel Horton	Retired Bank President	08/01/18 – 07/31/19
Bobby James	Operations Manager, Atmos Energy	08/01/18 – 07/31/19
William D. Sones	Bank Chairman	08/01/18 – 07/31/19
Mark Wiggins	Retired Business Owner	08/01/18 – 07/31/19

The operations of the Bank are administered by E.F. "Buddy" Mitcham, Jr., Executive Director. Mr. Mitcham is a graduate of Mississippi State University with a degree in Business Administration.

### **Prior Bonds of Bank**

The purpose of the Bank is to foster and promote, in accordance with the Bank Act, the borrowing of funds for public purposes by local governmental units. Under the Program, the Bank has previously issued bonds totaling in principal approximately \$8,136,409,402.00. Of such amount, approximately \$2,574,989,610.96 was outstanding as of September 1, 2019. For approximately \$366,350,000.00, in principal amount of bonds of the Bank outstanding, the State's Legislature may determine to appropriate funds to the extent of any deficiency in a reserve fund established for such outstanding Bank bonds.

The Bank is presently considering the issuance under the Bank Act of additional special obligation bonds for other purposes authorized under the Bank Act.

The faith, credit and taxing power of the State and the Bank are not pledged to the payment of the principal of, premium, if any, and interest on any of the bonds issued or planned for issuance by the Bank and all such bonds are not a debt, liability, loan of the credit or pledge of the faith and credit of the State or the Bank.

### **REVENUES, FUNDS AND ACCOUNTS**

### **Creation of Funds and Accounts**

The Indenture establishes the following special Funds and Accounts to be held by the Trustee:

1. General Fund - comprised of the following:
  - (a) General Account
  - (b) Capitalized Interest Account
  - (c) Purchase Account
  - (d) Redemption Account
  - (e) Bond Issuance Expense Account
2. Rebate Fund

### **Deposit of Net Proceeds of the Series 2019 Bonds, Revenues and Other Receipts**

The Trustee will deposit the net proceeds from the sale of the Series 2019 Bonds as follows:

- (a) To the Bond Issuance Expense Account of the General Fund, the amount of \$\_\_\_\_\_ to pay a portion of the costs of issuance of the Series 2019 Bonds and the City Bond; and
- (b) To the Capitalized Interest Account of the General Fund, the amount of \$\_\_\_\_\_ to pay a portion of the interest on the Series 2019 Bonds during the construction period for the Construction Project; and
- (c) To the Purchase Account of the General Fund, the sum of \$\_\_\_\_\_ to be used to purchase the City Bond.

The Trustee will deposit Revenues and other receipts (except the proceeds of the Series 2019 Bonds, interest earnings on any amounts in the Rebate Fund and moneys received by the Bank from the sale or redemption prior to maturity of the City Bond) into the General Account of the General Fund based on the amount due under the City Bond Resolution for the City Bond, and will deposit any moneys received from the sale or redemption prior to maturity of City Bond in to the Redemption Account of the General Fund.

### **OPERATION OF FUNDS AND ACCOUNTS**

#### **General Fund**

General Account and Capitalized Interest Account. On or before three (3) business days next preceding each Interest Payment Date, for the period from the date of closing through \_\_\_\_ 1, 20\_\_\_\_, the Trustee shall transfer from the Capitalized Interest Account for deposit in the General Account such amount, less any amount on deposit in the General Account for the payment of interest, as shall be necessary to pay all or a portion of the interest coming due on the Series 2019 Bonds on such Interest Payment Date. Any amounts remaining in the Capitalized Interest Account after \_\_\_\_ 1, 20\_\_\_\_, shall be transferred to the General Account for the next payment of interest coming due on the Bonds.

The Trustee will disburse the amounts held in the General Account for the following purposes, and, in the event of insufficient funds to make all of such required disbursements, in the following order of priority:

(a) On or before four (4) Business Days prior to any Interest Payment Date, to the Trustee such amounts as may be necessary to pay the principal and interest coming due on the Series 2019 Bonds on such Interest Payment Date.

(b) As necessary and in accordance with the Indenture, such amounts as may be necessary to pay any Program Expenses of the Bank for the Series 2019 Bonds.

(c) The amounts to be transferred to the Rebate Fund as provided in the Arbitrage Rebate Agreement and Section 6.11 of the Indenture.

(d) After making all required payments under subparagraphs (a) through (c) above, the Trustee shall make a determination of the amounts reasonably expected to be received in the form of City Bond Payments in the succeeding twelve (12) months and shall transfer all monies in the General Account, excluding capitalized interest remaining in the General Account, which, together with such expected receipts for the succeeding 12 months are in excess of the amounts needed to pay principal and interest on the Series 2019 Bonds within the immediately succeeding twelve month period, to the City at the request of the City with the prior written approval of the Bank.

Bond Issuance Expense Account. Upon receipt of invoices or requisitions acceptable to the Trustee, the Trustee will disburse the amounts held in the Bond Issuance Expense Account for the payment or reimbursement of the costs related to the authorization, sale, validation and issuance of the Series 2019 Bonds and the purchase and validation of the City Bond, which items of expense shall include, but not be limited to, printing costs, costs of reproducing documents, filing and recording fees, initial fees and charges of the Trustee, legal fees and charges, professional consultants' fees, municipal advisory fees and expenses, costs of credit ratings, fees and charges for execution, transportation and safekeeping of the Series 2019 Bonds, credit enhancements or liquidity facility fees, and other costs, charges and fees in connection with the foregoing. On the date which is thirty (30) days after the date of issuance of the Series 2019 Bonds, any amounts remaining in the Bond Issuance Expense Account will be transferred to the General Account.

Purchase Account. Upon submission of duly authorized written requisitions of an authorized officer of the Bank stating that all requirements for purchases under the Act and the Indenture have been or will be met, the Trustee will disburse the amounts held in the Purchase Account for the purchase of the City Bond with said moneys to be applied to the issuance of the Series 2019 Bonds as more fully described under the heading "Deposit of Net Proceeds of the Series 2019 Bonds, Revenues and Other Receipts".

Redemption Account. The Trustee will deposit in the Redemption Account all moneys received upon the sale or redemption prior to maturity of the City Bond and will disburse the funds in the Redemption Account to redeem Series 2019 Bonds of such maturity or maturities as directed by an Authorized Officer if such Series 2019 Bonds are then subject to redemption.



### **Rebate Fund**

Upon the direction of the Bank and in accordance with the arbitrage rebate agreement or similar document regarding the expenditures and investments of the proceeds of the Series 2019 Bonds provided by the Bank under the Indenture (the "**Arbitrage Rebate Agreement**"), the Trustee will deposit amounts for the benefit of the Bank from the General Account in the General Fund into the Rebate Fund and will deposit into the Rebate Fund all income from investments in the Rebate Fund. In the event and to the extent that amounts in the Rebate Fund exceed the amounts required to be rebated to the United States of America, the Trustee will transfer such excess amounts to the General Account in the General Fund upon the direction of the Bank in accordance with the Arbitrage Rebate Agreement.

Not more than 60 days after five years following the date of delivery of the Series 2019 Bonds, and at intervals of every five years thereafter, upon the written request of the Bank the Trustee will pay to the United States of America one hundred percent (100%) of the amount required to be paid to the United States of America as of such payment date. Not later than 60 days following the retirement of all of the Series 2019 Bonds, upon the written request of the Bank the Trustee will pay to the United States of America one hundred percent (100%) the amount to be paid to the United States of America. Each payment to the United States of America will be accompanied by a statement of the Bank summarizing the determination of the amount of such payment, together with copies of any reports originally filed with the Internal Revenue Service with respect to the Series 2019 Bonds.

With respect to the Rebate Fund, the Bank may direct the Trustee to proceed other than as set forth in the Indenture and described above by delivering to the Trustee a new Arbitrage Rebate Agreement accompanied by an Opinion of Bond Counsel to the effect that compliance with such memorandum will not adversely affect the excludability from gross income for federal income tax purposes of the interest on the Series 2019 Bonds.

### **Amounts Remaining in Funds**

Any amounts remaining in any Fund or Account after full payment of all of the Series 2019 Bonds outstanding under the Indenture, all required rebates to the United States of America and the fees, charges and expenses of the Trustee will be distributed to the City, except as required by the Indenture regarding payment to holders of nonpresented Series 2019 Bonds.

### **Investment of Funds**

Any moneys held as part of any Fund or Account created under or pursuant to the Indenture including the Rebate Fund shall be invested or reinvested by the Trustee as continuously as reasonably possible in such Investment Securities as may be directed by the City (such direction to be confirmed in writing). All such investments shall at all times be a part of the Fund or Account in which the moneys used to acquire such investments had been deposited and, except as provided in the Indenture, all income and profits on such investments, other than from moneys on deposit in the Rebate Fund or any Account created thereunder, shall be deposited as received in the General Account of the General Fund for the Funds and Accounts for the Series 2019 Bonds. The Trustee may make any and all such investments through its bond department or through the bond department of any financial institution which is an affiliate of the Trustee and may trade with itself or any of its affiliates in doing so. Moneys in separate Funds and Accounts for the Series 2019 Bonds may not be commingled for the purpose of investment or deposit. The Trustee and the Bank agree that all investments, and all instructions of the Bank to the Trustee with respect thereto shall be made in accordance with prudent investment standards reasonably expected to produce the greatest investment yields while seeking to preserve principal without causing

any of the Series 2019 Bonds to be arbitrage bonds as defined in Section 148 of the Code. Any investment losses shall be charged to the Fund or Account in which moneys used to purchase such investment had been deposited. For so long as the Trustee is in compliance with the provisions of the Indenture, the Trustee shall not be liable for any investment losses. Moneys in any Fund or Account shall be invested in Investment Securities with a maturity date, or a redemption date determined by the owner of the Investment Securities at said owner's option, which shall coincide as nearly as practicable with times at which moneys in such Funds or Accounts will be required for the purposes thereof. The Trustee shall sell and reduce to cash a sufficient amount of such Investments in the respective Fund or Account whenever the cash balance therein is insufficient to pay the amounts contemplated to be paid therefrom at the time those amounts are to be paid. All investment income from the assets held in any Fund or Account, except for the Rebate Fund and any Accounts created thereunder, will be added to the General Account of the General Fund for the Funds and Accounts for the Series 2019 Bonds.

The Bank has certified in the Indenture to the owners of the Series 2019 Bonds from time to time Outstanding that moneys on deposit in any Fund or Account in connection with the Series 2019 Bonds, whether or not such moneys were derived from the proceeds of the sale of the Series 2019 Bonds or from any other sources, are not intended to be used in a manner which will cause the interest on the Series 2019 Bonds to lose the exclusion from gross income for federal income tax purposes.

#### **THE SERIES 2019 BONDS AS LEGAL INVESTMENTS**

The Series 2019 Bonds shall be legal investments in which all public officers and public bodies of this State, its political subdivisions, all municipalities and municipal subdivisions, all insurance companies and associations, trust companies, savings banks and savings associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest funds, including capital, in their control or belonging to them. The Series 2019 Bonds are also hereby made securities which may properly and legally be deposited with and received by all public officers and bodies of the State or any agency or political subdivisions of the state and all municipalities and public corporations for any purpose for which the deposit of bonds or other obligations of the State is now or may hereafter be authorized by law.

#### **LITIGATION**

There is not now pending or, to the Bank's knowledge, threatened any litigation restraining or enjoining the issuance, sale, execution or delivery of the Series 2019 Bonds or prohibiting the Bank from purchasing the City Bond with the proceeds of such Series 2019 Bonds or in any way contesting or affecting the validity of the Series 2019 Bonds, any proceedings of the Bank taken with respect to the sale or issuance thereof or the pledge or application of any moneys or security provided for the payment of the Series 2019 Bonds. Neither the creation, organization nor existence of the Bank nor the title of any of the present Directors nor other officers of the Bank to their respective offices is being contested.

There is not now pending or, to the knowledge of the City, threatened any litigation restraining or enjoining the sale, issuance, execution or delivery of the City Bond or prohibiting the City from selling the City Bond to the Bank or in any way contesting or affecting the validity of the City Bond, any proceedings of the City taken with respect to the sale or issuance thereof or the pledge or application of any moneys or security provided for the payment of the City Bond.

#### **TAX TREATMENT OF ORIGINAL ISSUES DISCOUNT**

The initial public offering prices each maturity of the Series 2019 Bonds maturing on \_\_\_\_\_ 1 of the years \_\_\_\_\_ through \_\_\_\_\_ (the "**Discount Bonds**") are being offered and sold to the public at an original issue discount ("**OID**") from the amounts payable at maturity thereon. OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond. The issue price of a Discount Bond is the initial offering price to the public (other than to bond houses, brokers or similar Persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, computed semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during ownership of a Discount Bond (a) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2019 Bonds, and (b) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond. A purchaser of a Discount Bond in the initial public offering at the price for that Discount Bond stated on the inside cover of this Official Statement who holds that Discount Bond to maturity will realize no gain or loss upon the retirement of that Discount Bond.

Owners of Discount Bonds should consult their own tax advisers as to the federal tax consequences and the treatment of bond discount for purposes of state and local taxes on income.

#### **TAX TREATMENT OF ORIGINAL ISSUE PREMIUM**

The initial public offering prices of each maturity of the Series 2019 Bonds maturing \_\_\_\_ 1 in the years 20\_\_\_\_ through and including 20\_\_\_\_ (collectively, the "**Premium Bonds**"), are more than the amounts payable at the maturity dates thereof as set forth on the inside front cover of this Official Statement. Under the Code, the difference between the principal amount of a Premium Bond and the cost basis of such Premium Bond to its owner (other than an owner who holds such a Premium Bond as inventory, stock in trade or for sale to customers in the ordinary course of business) is "bond premium." Bond premium is amortized over the term of such a Premium Bond for federal income tax purposes. The owner of a Premium Bond is required to decrease his basis in such Premium Bond by the amount of amortizable bond premium attributable to each taxable year he holds the Premium Bond. The amount of the amortizable bond premium attributable to each taxable year is determined on an actuarial basis at a constant interest rate compounded on each interest payment date. The amortizable bond premium attributable to a taxable year is not deductible for federal income tax purposes.

Owners of Premium Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of the treatment of bond premium upon sale, redemption or other disposition of Premium Bonds and with respect to state and local tax consequences of owning and disposing of Premium Bonds.

#### **TAX MATTERS**

In the opinion of Bond Counsel interest on the Series 2019 Bonds is excludable from gross income for federal income tax purposes, pursuant to Section 103 of the Code. The opinion of Butler Snow LLP, is based on certain certifications, covenants and representations of the Bank and the City (collectively, "**Tax Covenants**") and is conditioned on continuing compliance therewith.

The Code imposes certain requirements which must be met subsequent to the issuance of the Series 2019 Bonds as a condition to the excludability from gross income of interest on the Series 2019

Bonds for federal tax purposes. Non-compliance with such requirements may cause interest on the Series 2019 Bonds to be includable in gross income for federal income tax purposes retroactive to its date of issue irrespective of the date on which such noncompliance occurs. Should the Series 2019 Bonds bear interest that is not excludable from gross income for federal income tax purposes, the market value of the Series 2019 Bonds would be materially and adversely affected. The Tax Covenants include covenants that (i) the Bank and the City will not take or fail to take any action with respect to the Series 2019 Bonds if such action or omission would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Series 2019 Bonds, and neither the Bank nor the City will act in any other manner which would adversely affect such exclusion; (ii) the Bank and the City will not make any investment or do any other act or thing during the period that the Series 2019 Bonds are outstanding which would cause the Series 2019 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code; and (iii) if required by the Code, the Bank and the City will rebate any necessary amounts to the United States of America. It is not an event of default under the Indenture if interest on the Series 2019 Bonds is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code, which is not in effect on the date of issuance of the Series 2019 Bonds.

The interest on the Series 2019 Bonds is not a specific preference item for purposes of the federal alternative minimum taxes. However, for tax years beginning before January 1, 2018, interest on the Series 2019 Bonds is included in adjusted current earnings in calculating alternative minimum taxable income on corporations.

Although Bond Counsel has rendered an opinion that interest on the Series 2019 Bonds is excludable from federal gross income and that the Series 2019 Bonds are exempt from State of Mississippi income tax, the accrual or receipt of interest on the Series 2019 Bonds may otherwise affect a bondholder's federal income tax or State of Mississippi tax liability. The nature and extent of these other tax consequences will depend upon the bondholder's particular tax status and a bondholder's other items of income or deduction. Taxpayers who may be affected by such other tax consequences include, without limitation, financial institutions, certain insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or railroad retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Series 2019 Bonds. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the Series 2019 Bonds should consult their own tax advisors with regard to the other tax consequences of owning the Series 2019 Bonds.

In the opinion of Bond Counsel interest on the Series 2019 Bonds is exempt from income taxation in the State of Mississippi under existing laws, regulations, rulings and judicial decisions. This opinion relates only to the exemption of interest on the Series 2019 Bonds for State of Mississippi income tax purposes.

From time to time, there are legislative proposals introduced and regulatory actions proposed or announced at the federal or state level that, if enacted, could alter or amend directly or indirectly relevant federal and state tax matters, including, without limitation, those mentioned hereinabove or could adversely affect the market value of the Series 2019 Bonds. It cannot be predicted whether or when or in what form any such legislative or regulatory proposal might be enacted or implemented or whether if enacted or implemented it would apply to tax exempt obligations such as the Series 2019 Bonds issued prior to enactment or implementation. In addition, from time to time, litigation is threatened or commenced which, if concluded in a particular manner, could adversely affect relevant tax matters or the market value of the Series 2019 Bonds. It cannot be predicted how any particular litigation or judicial action will be resolved or whether the Series 2019 Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2019 Bonds should consult their tax advisors regarding any pending or

proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2019 Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending or proposed legislation, regulatory initiatives or litigation.

## **LEGAL MATTERS**

Certain legal matters incident to the authorization and issuance of the Series 2019 Bonds by the Bank are subject to the approval of Bond Counsel whose approving opinion will be delivered concurrently with the delivery of Series 2019 Bonds. Certain legal matters will be passed upon for the Bank by its counsel, Balch & Bingham LLP, Jackson, Mississippi and for the City by its counsel, Moran M. Pope, III, Esquire, Hattiesburg, Mississippi.

Butler Snow LLP, Ridgeland, Mississippi, is also serving as bond counsel for the City in connection with the issuance and sale of the City Bond.

The remedies available to the Trustee, to the Bank or to the owners of the Series 2019 Bonds upon an Event of Default under the Indenture or under the terms of the City Bond purchased by the Bank are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically the Bankruptcy Code, the remedies provided in the Indenture and under the City Bond may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2019 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally (regardless of whether such enforceability is considered in a proceeding in equity or in law), by general principles of equity (regardless of whether such proceeding is considered in a proceeding in equity or at law) and by the valid exercise of the constitutional powers of the State and the United States of America.

## **RATING**

Moody's Investors Service, Inc. has assigned its rating of "\_\_\_\_" to the Series 2019 Bonds. Information on the rating may be obtained from the Executive Director of the Bank. Such rating reflects only the view of such organization, and an explanation of the significance of the rating may be obtained only from said rating agency. The rating may be changed, suspended or withdrawn as a result of changes in, or unavailability of, information. Any downward revision, suspension or withdrawal of such rating may have an adverse effect on the market price of the Series 2019 Bonds.

Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"), has assigned an insured rating of "\_\_\_\_" to the Series 2019 Bonds with the understanding that upon delivery of the Series 2019 Bonds, a municipal bond insurance policy guaranteeing the timely payment of principal of and interest on the Series 2019 Bonds will be issued by \_\_\_\_\_. Explanations of such ratings may be obtained from S&P, 55 Water Street, New York, New York 10041. This rating reflects only the view of S&P and the City makes no representation as to the appropriateness of this rating. There is no assurance that such ratings will continue for any given period of time or that it will not be revised or withdrawn entirely by S&P, if in the judgment of S&P, circumstances so warrant. Any such revisions or withdrawal of the rating may have an adverse effect on the market price of the Bonds. See "BOND INSURANCE."

## PENSION PLAN

The City has no pension plan or retirement plan for employees. City employees are members of and contribute to the Mississippi Public Employees' Retirement System (PERS), a cost-sharing, multiple employer retirement system administered by the State for the benefit of its local governments and State personnel. Benefit provisions are established by State statute and may be amended from time to time only by the State Legislature.

In June 2012, the Government Accounting Standards Board issued Statement No. 68, Accounting and Financial Reporting for Pensions ("**GASB-68**"). The objective of GASB-68 is to improve accounting and financial reporting of government pensions. Also, GASB-68 improves information provided by government employers about financial support for pensions that is provided by other entities. Requirements of GASB-68 are effective for financial statements whose fiscal year begins after June 15, 2014 (Fiscal Year 2015 for the City).

PERS members are required to contribute 9.00% of their annual covered salary, and the City is required to contribute at an actuarially determined rate. The rate at June 30, 2017 was 15.75% of annual covered payroll. The City contributions (employer share only) to PERS for the years ending September 30, 2017\*, 2016 and 2015, 2014 were \$3,707,145, \$3,738,948 and \$3,501,030, \$3,492,961, respectively, which equaled the required contributions for each year.

At September 30, 2016, the City reported a liability of \$79,464,989 for its proportionate share of the net pension liability (this final amount is not available for fiscal year 2017). See Note 19 in the City's 2016 Audited Financial Statements included in "APPENDIX B - Financial Information Concerning the City.

## INDEPENDENT AUDITORS

The audited financial statements of the City for the year ended September 30, 2016 included in this Official Statement as APPENDIX B, have been audited by Topp McWhorter Harvey PLLC, Certified Public Accountants, as stated in the report appearing therein (the "**audit report**").

The City has not and will not obtain a consent letter from its auditor for the inclusion of the audit report in this Official Statement. Topp McWhorter Harvey PLLC, Certified Public Accountants, the City's independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Topp McWhorter Harvey PLLC, Certified Public Accountants also has not performed any procedures relating to this Official Statement.

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\* Unaudited information.

## CONTINUING DISCLOSURE

The City will execute a continuing disclosure agreement (the “**Disclosure Certificate**”) at the time of the closing for the Bonds. The Disclosure Certificate will be executed for the benefit of the beneficial owners of the Bonds and the City has covenanted in the Bond Resolution to comply with its terms. The Disclosure Certificate will provide that so long as the Bonds remain outstanding, the City will provide the following information to the Municipal Securities Rulemaking Board, acting through its Electronic Municipal Market Access (“**EMMA**”) system: (i) annually, certain financial information and operating data; and (ii) timely notice of the occurrence of certain listed events; all as specified in the Disclosure Certificate. The form of the Disclosure Certificate is attached hereto as APPENDIX F.

The City has previously entered into continuing disclosure undertakings with respect to bonds it has issued or for which it is the “obligated person” within the meaning of Securities and Exchange Commission Rule 15c2-12(b)(5) (the “**Rule**”). Within the last five years, the City has failed to comply with certain terms of those undertakings. A summary of past filing failures, dated \_\_\_\_\_, is available on EMMA at \_\_\_\_\_.

With respect to certain issues, audited financial statements for fiscal years 2013 through 2017 were not available at the time of filing and therefore were not timely filed on EMMA as required by the prior undertakings, however, notices of failure to file the audited financial statements for fiscal years 2014 through 2017 were timely filed. A Notice of Failure to file audited financial statements for the fiscal year ended September 30, 2013 was not timely filed. In addition, without a determination of materiality, there have been instances in which some tables included in the City’s prior continuing disclosure undertakings were not included in every filing on EMMA. In addition, without a determination of materiality, there may have been instances in which a filing was not posted under all outstanding CUSIP’s and/or may have been misfiled under the wrong CUSIP or under the wrong heading within the CUSIP. In addition, there have been instances when the City has not posted all rating changes with respect to bond insurance ratings and underlying ratings.

The City adopted policies and procedures on November 4, 2014 (the “**Policy**”) to ensure timely filing of its Annual Report, together with any required Accompanying Information. The City has hired a dissemination agent to file the City’s required Annual Report, together with any required Accompanying Information.

For a summary of the City’s undertaking, see **APPENDIX F - FORM OF CONTINUING DISCLOSURE CERTIFICATE** attached hereto.

## MUNICIPAL ADVISOR

The Bank has retained Government Consultants, Inc., Madison, Mississippi, as Municipal Advisor in connection with the sale and issuance of the Series 2019 Bonds. In such capacity the Municipal Advisor has provided recommendations and other financial guidance to the Bank with respect to the preparation of documents, the preparation for the sale of the Series 2019 Bonds and of the time of the sale, tax-exempt bond market conditions and other factors related to the sale of said Series 2019 Bonds. Although the Municipal Advisor performed an active role in the drafting of this Official Statement, it has not independently verified any of the information set forth herein.

## VALIDATION

Prior to issuance, the Series 2019 Bonds will be validated before the Chancery Court of the First Judicial District of Hinds County, Mississippi, as provided by Sections 31-13-1 to 31-13-11, Mississippi Code of 1972, as amended. Prior to issuance, the City Bond will be validated before the Chancery Court of Forrest County, Mississippi, as provided by Sections 31-13-1 to 31-13-11, Mississippi Code of 1972, as amended.

**[INSERT ANY SECTION FOR BOND INSURANCE]**

**MISCELLANEOUS**

The Bank's offices are located at 735 Riverside Drive, Suite 300, Jackson, Mississippi 39202, telephone (601) 355-6232.

All quotations from, and summaries and explanations of, the Act, the Indenture and the City Bond Resolution contained in this Official Statement do not purport to be complete, and reference is made to each such document or instrument for full and complete statements of its provisions. The attached APPENDICES are an integral part of this Official Statement and must be read together with all of the foregoing statements. Copies in reasonable quantity of the Act, the Indenture, the City Bond Resolution and the supplemental materials furnished to the Bank by the City may be obtained upon written request to the Bank.

Neither any advertisement of the Series 2019 Bonds nor this Official Statement is to be construed as constituting an agreement with the purchasers of the Series 2019 Bonds. So far as any statements are made in this Official Statement involving matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

This Official Statement has been duly approved, executed and delivered by the Bank. The Bank will provide copies of this Official Statement to be distributed to the purchasers of the Series 2019 Bonds.

**MISSISSIPPI DEVELOPMENT BANK**

By: /s/ E. F. Mitcham, Jr.  
Executive Director



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**APPENDIX A**  
**INFORMATION ON THE CITY**

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**APPENDIX A - ECONOMIC AND DEMOGRAPHIC INFORMATION  
CITY OF HATTIESBURG, MISSISSIPPI**

**General Description**

The City of Hattiesburg, Mississippi (the "City"), the county seat of Forrest County, Mississippi (the "County"), is located in the southeast section of the County. The City, founded in 1882 by Captain William H. Hardy, pioneer lumberman and civil engineer, was incorporated in 1884 with a population of approximately 400. Originally called Twin Forks and later Gordonville, Captain Hardy gave the City its final name of Hattiesburg in honor of his wife Hattie. Known as the "Hub City," the City is located at the intersections of Interstate 59 and U.S. Highways 49, 98 and 11 and is centrally located less than 100 miles from the State of Mississippi (the "State") capital of Jackson, the Mississippi Gulf Coast, New Orleans, Louisiana and Mobile, Alabama.

**Population**

The population of the City has been recorded as follows:

1990	2000	2010	2017 Estimate
45,232	44,779	45,989	46,377

SOURCE: Census Data at website: [www.census.gov](http://www.census.gov); October 2018.

**Government**

The City operates under a Mayor-Council form of government. The City Council consists of five members, each elected by respective voting precincts or wards. The Mayor is full-time and is elected at large. The current Mayor and City Council members, elected for concurrent four-year terms, are as follows:

Name	Position	Position Held Since
Toby Barker	Mayor	July, 2017
Jeffrey George	Council Member	July, 2017
Deborah Denard Delgado	Council Member	July, 2001
Carter Carroll	Council Member	October, 2000
Mary Dryden	Council Member	July, 2013
Nicholas Brown	Council Member	July, 2017

**Transportation**

The Illinois Central Gulf Railroad, Norfolk-Southern Railway, Amtrak and Mid-South Rail Corporation provide rail service to the City. Fifteen motor freight carriers, twelve of which have terminal facilities in the City, are authorized to serve the City. The nearest commercial airport is the Pine Belt

Regional Airport, twelve miles distant, served by three commercial airlines. Hattiesburg Airport is located five miles from the City.

The Port of Gulfport (the "Port"), located seventy-three miles from the City, is North America's second largest handler of tropical fruit, the largest poultry exporter to Russia, and offers containerized refrigeration. The Port is a shipping channel with a depth of 36 feet and 5,800 feet of commercial berthing space and is maintained by the United States Corps of Engineers.

### **Per Capita Income**

<b>Year</b>	<b>County</b>	<b>Mississippi</b>	<b>United States</b>	<b>County as % Of U.S.</b>
2016	\$35,451	\$35,484	\$49,246	72%
2015	34,864	34,757	48,451	72
2014	34,142	34,213	46,494	73
2013	32,616	33,327	44,493	73
2012	32,956	32,920	44,282	74

SOURCE: Bureau of Economic Analysis: Regional Economic Accounts at website: [www.bea.gov](http://www.bea.gov), 2012-2016. Information available as of October 2018. (Per capita personal income was computed using Census Bureau mid-year population estimates. The estimates for 2012-2016 reflect county population estimates, last updated November 16, 2017.)

### **Retail Sales**

<b>State Fiscal Year Ended June 30</b>	<b>Amount</b>
2017	\$1,871,287,163
2016	1,853,681,868
2015	1,851,766,362
2014	1,809,764,746
2013	1,770,829,073

SOURCE: Annual Reports for each year indicated, Mississippi Department of Revenue's website: [www.dor.ms.gov](http://www.dor.ms.gov); Information available as of October 2018.

## **Major Employers**

The following is a partial listing of major employers in the City, their products or services and their approximate number of employees:

<b>Employer</b>	<b>Employees</b>	<b>Product/Service</b>
Forrest General Hospital	3,151	Hospital
University of Southern Mississippi	2,300	Education
Hattiesburg Clinic	2,218	Medical clinic
Camp Shelby	1,600	Military base
Lamar County School District	1,300	Education
Merit Health-Wesley Medical Center	1,222	Hospital
General Dynamics Information Technology	1,000	Information technology firm
Mar-Jac Poultry	861	Poultry processor
Hattiesburg Public School District	800	Education
City of Hattiesburg	717	Government
Channel Control Merchants, Inc.	688	Retail inventory management
Cooperative Energy	400	Electric Utility Company
William Carey University	370	Education
Regions Bank	329	Banking & Finance

SOURCE: Area Development Partnership website [www.theadp.com](http://www.theadp.com). "Top Employers" in the Membership Directory and Business Guide 2018-19. Information available as of October 2018. Additional information source: Office of the City Clerk, October 2018.

## **Unemployment Statistics of the County**

<b>Year</b>	<b>Jan.</b>	<b>Feb.</b>	<b>Mar.</b>	<b>Apr.</b>	<b>May</b>	<b>Jun.</b>	<b>Jul.</b>	<b>Aug.</b>	<b>Sep.</b>	<b>Oct.</b>	<b>Nov.</b>	<b>Dec.</b>	<b>Annual Average</b>
2013	9.9	8.7	8.3	7.7	9.0	9.6	9.0	8.2	8.0	7.9	7.3	7.4	8.4
2014	8.2	7.4	7.4	6.7	8.0	8.5	8.3	7.7	7.2	6.9	6.3	6.4	7.4
2015	7.0	6.2	6.0	5.7	6.6	7.3	7.0	6.1	6.0	5.9	5.6	6.0	6.3
2016	6.3	5.6	5.5	5.2	6.0	6.9	6.5	5.7	5.7	5.4	5.0	5.2	5.7
2017	5.7	4.7	4.8	4.4	5.2	5.9	5.7	4.7	4.4	4.1	3.9	4.0	4.8
2018	4.1	4.1	4.0	4.0	4.8	5.3	5.0	--	--	--	--	--	--

SOURCE: Mississippi Department of Employment Security: Labor Market Data at website: [www.mdes.ms.gov](http://www.mdes.ms.gov); October 2018.

## Employment Statistics of the County

	2013	2014	2015	2016	2017
RESIDENCE BASED EMPLOYMENT					
I. Civilian Labor Force	33,100	32,290	32,840	33,420	33,970
II. Unemployed	2,790	2,400	2,060	1,920	1,630
Rate	8.4	7.4	6.3	5.7	4.8
III. Employed	30,310	29,890	30,780	31,500	32,340
ESTABLISHMENT BASED EMPLOYMENT					
I. Manufacturing	3,100	3,250	3,240	3,420	3,590
II. Non-manufacturing	35,840	36,770	37,520	38,030	38,690
A. Agriculture, Forestry, Fishing & Hunting	80	80	70	70	70
B. Mining	130	130	110	40	50
C. Utilities	440	450	490	500	500
D. Construction	1,380	1,500	1,530	1,570	1,580
E. Wholesale Trade	1,290	1,330	1,530	1,510	1,530
F. Retail Trade	4,160	4,050	4,100	4,010	3,910
G. Transportation & Warehousing	1,510	1,530	1,690	1,880	2,000
H. Information	430	390	400	380	330
I. Finance & Insurance	1,170	1,160	1,110	1,080	1,150
J. Real Estate, Rental & Leasing	480	460	460	550	530
K. Prof., Scientific & Technical Service	820	820	790	810	780
L. Management of Companies & Entertainment	550	520	470	770	810
M. Administrative Support & Waste Management	1,820	2,570	2,890	2,870	3,210
N. Educational Services	620	580	610	640	670
O. Health Care & Social Assistance	5,150	5,310	5,480	5,320	5,550
P. Arts, Entertainment & Recreation	330	340	360	360	340
Q. Accommodation & Food Service	3,580	3,580	3,550	3,670	3,730
R. Other Services (except Public Administration)	740	710	690	660	660
S. Government	11,160	11,260	11,190	11,340	11,290
Education	4,860	4,860	4,810	4,710	4,590
III. Total Nonagricultural Employment	<b>38,940</b>	<b>40,020</b>	<b>40,760</b>	<b>41,450</b>	<b>42,280</b>

SOURCE: Mississippi Department of Employment Security ("MDES"): Annual Averages: Labor Force and Establishment Based Employment 2011 Forward, Labor Market Information Department at website: [www.mdes.ms.gov](http://www.mdes.ms.gov); Information last revised by MDES on May 2, 2018 (available as of October 2018).

## **Banking Institutions**

<b>Institutions</b>	<b>Total Assets</b>
Wells Fargo Bank, National Association <sup>1</sup>	1,678,077,000,000
Regions Bank <sup>2</sup>	123,635,085,000
Hancock Whitney Bank <sup>3</sup>	27,844,612,000
BancorpSouth Bank <sup>4</sup>	17,228,315,000
Trustmark National Bank <sup>5</sup>	13,521,865,000
Community Bank of Mississippi <sup>6</sup>	3,173,440,000
The First, A National Banking Association <sup>7</sup>	2,478,442,000
The Citizens National Bank of Meridian <sup>8</sup>	1,344,119,000
The Citizens Bank <sup>9</sup>	962,830,000
PriorityOne Bank <sup>10</sup>	640,617,000
Citizens Bank <sup>11</sup>	438,007,000
Magnolia State Bank <sup>12</sup>	333,937,000
Great Southern Bank <sup>13</sup>	286,857,000
First Southern Bank <sup>14</sup>	183,079,000
Grand Bank for Savings, A Federal Savings Bank <sup>15</sup>	75,453,000

SOURCE: Obtained from FDIC at [www.fdic.gov](http://www.fdic.gov); all assets stated as of June 30, 2018 (information available as of October 2018).

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<sup>1</sup> Headquarters located in Sioux Falls, South Dakota.

<sup>2</sup> Headquarters located in Birmingham, Alabama.

<sup>3</sup> Headquarters located in Gulfport, Mississippi.

<sup>4</sup> Headquarters located in Tupelo, Mississippi.

<sup>5</sup> Headquarters located in Jackson, Mississippi.

<sup>6</sup> Headquarters located in Forrest, Mississippi.

<sup>7</sup> Headquarters located in Hattiesburg, Mississippi.

<sup>8</sup> Headquarters located in Meridian, Mississippi.

<sup>9</sup> Headquarters located in Philadelphia, Mississippi.

<sup>10</sup> Headquarters located in Magee, Mississippi.

<sup>11</sup> Headquarters located in Columbia, Mississippi.

<sup>12</sup> Headquarters located Bay Springs, Mississippi.

<sup>13</sup> Headquarters located in Meridian, Mississippi.

<sup>14</sup> Headquarters located in Columbia, Mississippi.

<sup>15</sup> Headquarters located in Hattiesburg, Mississippi.



## **Educational Facilities**

The Hattiesburg Public School District (the "District") serves the entire City. The District currently operates nine (9) schools and employs approximately 800 people.

Enrollment figures for the District for the 2017-18 scholastic year and the four preceding years are as follows:

<b>Scholastic Year</b>	<b>Enrollment<sup>16</sup></b>
2017-2018	4,098
2016-2017	4,289
2015-2016	4,452
2014-2015	4,519
2013-2014	4,552

SOURCE: Hattiesburg Public School District and Mississippi Assessment and Accountability Reporting System, Office of Research and Statistics, Mississippi, Department of Education; Information available as of October 2018.

<sup>16</sup> Enrollment numbers depicted as of the spring semester of each ending school year.

## TAX INFORMATION

### Assessed Valuation<sup>17</sup>

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Personal Property<sup>18</sup></b>	<b>Public Utility Property</b>	<b>Total<sup>19</sup></b>
2018	\$319,787,184	\$137,596,668	\$23,979,705	\$481,363,557
2017	317,415,350	129,533,967	24,019,463	470,968,780
2016	306,167,363	124,628,276	23,852,267	454,647,906
2015	297,660,699	121,146,051	25,246,731	444,053,481
2014	291,935,921	118,079,833	24,412,003	434,627,757

SOURCE: Office of City Chief Financial Officer; October 2018.

Assessed valuations are based upon the following assessment ratios:

- (a) Real and personal property (excluding single-family, owner-occupied residential real property and motor vehicles, respectively), fifteen percent (15%) of true value;
- (b) Single-family, owner-occupied residential real property, ten percent (10%) of true value;
- (c) Motor vehicles and public utility property, thirty percent (30%) of true value.

The 1986 Session of the Mississippi Legislature adopted House Concurrent Resolution No. 41 (the "Resolution"), pursuant to which there was proposed an amendment to the Mississippi Constitution of 1890 (the "Amendment"). The Amendment provided, *inter alia*, that the assessment ratio of any one class of property shall not be more than three times the assessment ratio on any other class of property.

The Amendment set forth five classes of property and the assessment ratios which would be applicable thereto upon the adoption of the Amendment. The assessment ratios set forth in the Amendment are identical to those established by Section 27-35-4, Mississippi Code of 1972, as it existed prior to the Amendment, except that the assessment ratio for single-family, owner-occupied residential real property under the Amendment is set at ten percent (10%) of true value as opposed to fifteen percent (15%) of true value under previously existing law.

The assessed valuation figures above do not include property exempt from all City ad valorem tax for a period of up to ten years, primarily for new or expanded manufacturing facilities. Set forth below is a schedule of the assessed valuation of such exempt property which will become subject to City ad valorem tax in the next ten years:

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<sup>17</sup> The total assess valuation is approved in September proceeding the fiscal year of the City and represents the value of real property, personal property and public utility property for the year indicated on which taxes are assessed for the following fiscal year's budget. For example, the taxes for the assessed valuation figures for 2018 will be collected starting in January 2019 for the 2018-2019 fiscal year budget of the City.

<sup>18</sup> Personal property includes the assessed valuation for mobile homes and automobiles.

<sup>19</sup> Total assessed values include exempt properties.

<b>Exempt Property</b>	<b>Current Assessed Valuation</b>	<b>Date Exemption Ends</b>
American Concrete Products-MS	260,114	12/31/2018
BP Rex Closures, LLC	137,998	12/31/2018
BP Rex Closures LLC	194,350	12/31/2021
BP Rex Closures LLC	1,162,135	12/31/2020
BP Rex Closures LLC	497,233	12/31/2021
BP Rex Closures LLC	149,188	12/31/2018
Brown & Sons Property Management	362,430	12/31/2018
Coca Cola North America	119,645	12/31/2018
Coca Cola North America	84,369	12/31/2018
Dews CL and Sons Foundry	20,940	12/31/2018
Excel Injection Molding, Inc	36,374	12/31/2018
Front Street Studio Development LLC	20,578	12/31/2018
Hattiesburg Paper Company	6,789	12/31/2020
Hattiesburg Paper Company	65,165	12/31/2021
HTR Development LLC	36,429	12/31/2018
Hudsons Capital Assets LLC	204,044	12/31/2018
Kohler Co	19,304	12/31/2020
Kohler Co	267,091	12/31/2020
Kohler Co	26,665	12/31/2019
Kohler Co	54,347	12/31/2020
Kohler Co	190,868	12/31/2022
Kohler Co	36,883	12/31/2023
MS Tank & Manufacturing Co	41,000	12/31/2021
Mississippi Tank Company	24,184	12/31/2018
Mississippi Tank Company	16,559	12/31/2019
Mississippi Tank Company	17,681	12/31/2020
Mississippi Tank Company	62,375	12/31/2021
Mississippi Tank Company	43,296	12/31/2018
North South Properties LLC	409,764	12/31/2018
Resinall Mississippi Inc	12,320	12/31/2018
Resinall Mississippi Inc	14,670	12/31/2020
Resinall Mississippi Inc	31,669	12/31/2021
Resinall Mississippi Inc	147,930	12/31/2018
Saddle Creek Corporation	385,532	12/31/2018
Safe Guard Building Systems	4,980	12/31/2020
Safe Guard Building Systems	8,698	12/31/2020
Safe Guard Building Systems LLC	392,419	12/31/2018
Western Container Corp	23,754	12/31/2018
Western Container Corp	65,187	12/31/2020
Western Container Corp	156,936	12/31/2021
Western Container Corp	249,842	12/31/2021
Western Container Corp	565,443	12/31/2018
Wis-Pak of Hattiesburg LLC	5,352,948	12/31/2020
Zeon Chemicals	22,965	12/31/2018
Zeon Chemicals	20,093	12/31/2019
Zeon Chemicals	13,086	12/31/2021

<b>Exempt Property</b>	<b>Current Assessed Valuation</b>	<b>Date Exemption Ends</b>
Zeon Chemicals	67,375	12/31/2022
Zeon Chemicals	74,747	12/31/2018
<b>Total:</b>	<b>\$12,178,392</b>	

SOURCE: Office the City Clerk; October 2018.

### **Procedure for Property Assessments**

The Tax Assessor of Forrest County assesses all real and personal property subject to taxation in the County, including property in the City, except motor vehicles and property owned by public service corporations, both of which are required by law to be assessed by the Mississippi Department of Revenue.

Section 21-33-9, Mississippi Code of 1972, as amended, provides that the governing authorities of a municipality which is located within a county having completed a county-wide reappraisal approved by the Mississippi Department of Revenue and which has been furnished a true copy of that part of the County assessment roll containing the property located within a municipality as provided in Section 27-35-167, Mississippi Code of 1972, as amended, shall adopt such assessment rolls for its assessment purposes. The City is utilizing the assessment rolls of the County.

The City may not correct or revise such assessment rolls except for the purpose of conforming the municipal assessment roll to corrections or revisions made to the County assessment roll. All objections to the municipal assessment roll may be heard by the Board of Supervisors of the County at the time and in the manner that objections to the County assessment roll are heard. The Board of Supervisors shall notify, in writing, the Governing Body and the Tax Assessor of the City of any corrections or revisions made by it to the part of the County assessment roll adopted as the municipal assessment roll.

**Tax Levy per \$1,000 Valuation**<sup>20</sup>

GENERAL PURPOSES	Year in Which Taxes Levied				
	2018-19	2017-18	2016-17	2015-16	2014-15
General Fund	41.60	39.80	36.10	32.10	32.10
Parks & Recreation Fund	2.00	2.00	2.00	2.00	2.00
Bond & Interest Fund	4.00	5.80	6.50	7.50	7.00
Police & Firearms Pension Fund	3.08	3.33	3.11	2.97	3.87
Mass Transit	.50	.50	.50	.50	.50
Library	1.95	1.95	1.95	1.95	1.95
Sub-total:	53.13	53.38	50.16	49.52	47.42
<b>SCHOOL DISTRICT:</b>					
District Maintenance	56.60	55.00	57.69	57.45	56.54
Bond & Interest Fund	4.61	6.95	7.21	6.52	8.03
School Shortfall Note	.14	.15	.16	.92	.32
School Notes & Certificates of Indebtedness	2.19	.00	.00	.00	.00
Costs of Collection	.56	.00	.00	.00	.00
Sub-total:	64.10	62.10	65.06	64.89	64.89
<b>TOTAL LEVY:</b>	<b>117.23</b>	<b>115.48</b>	<b>115.22</b>	<b>114.41</b>	<b>112.31</b>

SOURCE: Office the Chief Financial Officer; October 2018.

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<sup>20</sup> Tax levy figures are given in mills.

### **Ad Valorem Tax Collections**<sup>21</sup>

<b>Fiscal Year Ended September 30</b>	<b>Amount Budgeted</b>	<b>Amount Collected</b>	<b>Difference Over/(Under)</b>
2018	\$21,901,304	\$21,834,493	(\$66,811)
2017	20,052,690	20,205,618	152,928
2016	14,278,000	14,914,509	636,509
2015	12,669,250	12,778,236	108,986
2014	17,010,819	\$17,632,237	\$621,418

SOURCE: Office of the Chief Financial Officer; October 2018.

### **Procedure for Tax Collections**

The Governing Body is required to levy a special tax upon all of the taxable property within the geographical limits of the City each year sufficient to provide for the payment of the principal of and interest on the City's general obligation bonds. If any taxpayer neglects or refuses to pay his taxes on the due date thereof, the unpaid taxes bear interest at the rate of one percent (1%) per month or fractional part thereof from the delinquent date to the date of payment of such taxes. When enforcement officers take action to collect delinquent taxes, other fees, penalties and costs may accrue. Both real property and personal property are subject to public tax sale.

Section 21-33-63, Mississippi Code of 1972, as may be amended from time to time, and related statutes provide that after the fifteenth day of February and after the fifteenth day of August in each year, the tax collector for each municipality shall advertise all lands in such municipality on which all the taxes due and in arrears have not been paid, as well as all land liable for sale on the first Monday of April or the third Monday of September following, as the case may be.

### **Reappraisal of Property and Limitation on Ad Valorem Levies**

Senate Bill No. 2672, General Laws of Mississippi, Regular Session 1980, codified in part as Sections 27-35-49 and 27-35-50, Mississippi Code of 1972 (the "Reappraisal Act"), provides that all real and personal property in the State shall be appraised at true value and assessed in proportion to true value. To insure that property taxes do not increase dramatically as the counties complete reappraisals, the Reappraisal Act provides for the limit on increase in tax revenues discussed below.

The statute limits ad valorem tax levies by the City subsequent to October 1, 1980, to a rate which will result in an increase in total receipts of not greater than ten percent (10%) over the previous year's receipts, excluding revenue from ad valorem taxes on any newly constructed properties, any existing properties added to the tax rolls or any properties previously exempt which were not assessed in the next preceding year. This limitation does not apply to levies for the payment of the principal of and the interest on general obligation bonds issued by the City or to certain other specified levies. The limitation

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<sup>21</sup> The figures shown for the Ad Valorem Tax Collections chart is based upon the following budgeted funds of the City: General Fund, Parks & Recreation Fund, Bond & Interest Fund and Mass Transit Fund.

may be increased only if the proposed increase is approved by a majority of those voting in an election held on such question.

On August 20, 1980, the Mississippi Supreme Court rendered its decision in State Tax Commission v. Fondren, 387 So.2d 712, affirming the decree of the Chancery Court of the First Judicial District of Hinds County, Mississippi, wherein the Mississippi Department of Revenue (formerly the State Tax Commission) was enjoined from accepting and approving assessment rolls from any county in the State for the tax year 1983 unless the Mississippi Department of Revenue equalized the assessment rolls of all of the counties. Due to the intervening passage of the Reappraisal Act, the Supreme Court reversed that part of the lower court's decree ordering the assessment of property at true value (although it must still be appraised at true value), holding instead that assessed value may be expressed as a percentage of true value. Pursuant to the Supreme Court modification of the Chancellor's decree, on November 15, 1980, the Mississippi Department of Revenue filed a master plan to assist counties in determining true value. On February 7, 1983, the Chancery Court granted an extension until July 1, 1984, of its previous deadline past which the Mississippi Department of Revenue could not accept and approve tax rolls from counties which had not yet reappraised. The City has completed reappraisal.

### **Homestead Exemption**

The Mississippi Homestead Exemption Law of 1946 reduces the local tax burden on homes qualifying by law and substitutes revenues from other sources of taxation on the State level as a reimbursement to the local taxing units for such tax loss. Provisions of the homestead exemption law determine qualification, define ownership and limit the amount of property that may come within the exemption. The exemption is not applicable to taxes levied for the payment of the Bonds, except as hereinafter noted.

Those homeowners who qualify for the homestead exemption and who have reached the age of sixty-five (65) years on or before January 1 of the year for which the exemption is claimed, service-connected, totally disabled American veterans who were honorably discharged from military service and those qualified as disabled under the federal Social Security Act are exempt from any and all ad valorem taxes on qualifying homesteads not in excess of \$7,500 of assessed value thereof.

The tax loss resulting to local taxing units from properly qualified homestead exemptions is reimbursed by the Mississippi Department of Revenue. Beginning with the 1984 supplemental ad valorem tax roll and for each roll thereafter, no taxing unit shall be reimbursed an amount in excess of one hundred six percent (106%) of the total net reimbursement made to such taxing unit in the next preceding year.

### **Ten Largest Taxpayers**

Ten of the largest taxpayers in the City for fiscal year ending 2018 are as follows:

<b>Taxpayer</b>	<b>Assessed Valuation</b>	<b>Taxes Collected</b>
Mississippi Power	\$10,715,500	\$571,993.39
Kohler Company	7,886,016	281,391.56
Merit Health-Wesley	3,854,971	205,778.35
Western Container Corp	7,007,860	196,526.05
Bell South Communications	10,752,493	172,190.43
Hattiesburg Clinic	18,224,780	145,926.01
Hattiesburg Breckenridge	2,640,971	140,975.03
SPG Holdings	25,008,721	131,555.65
TNHYIF Reiv Golf LLC	1,845,500	98,512.79
Pointe Properties LLC	1,824,370	97,384.87
Totals:	\$89,761,182	\$2,042,234.13

SOURCE: Office of the City Clerk; October 2018.



## DEBT INFORMATION

### Legal Debt Limit Statement

(As of November 1, 2018)

	15% Limit	20% Limit
Authorized Debt Limit (Last Completed Assessment for Taxation - \$481,363,557)	\$72,204,534	\$96,272,711
Present Debt Subject to Debt Limits	13,045,000	13,045,000
Margin for Further Debt Under Debt Limits	\$59,159,534	\$83,227,711
Less this Bond Issue	(45,000,000)	(45,000,000)
Margin for Further Debt Under Debt Limits	\$14,595,534	\$38,227,711

### Statutory Debt Limits

The City is subject to a general statutory debt limitation under which no municipality in the State may incur general obligation bonded indebtedness in an amount which will exceed fifteen percent (15%) of the assessed value of the taxable property within such municipality according to the last completed assessment for taxation.

In computing general obligation bonded indebtedness for purposes of such fifteen percent (15%) limitation, there may be deducted all bonds or other evidences of indebtedness issued for school, water and sewerage systems, gas and light and power purposes and for the construction of special improvements primarily chargeable to the property benefited, or for the purpose of paying a municipality's proportion of any betterment program, a portion of which is primarily chargeable to the property benefited. However, in no case may a municipality contract any indebtedness payable in whole or in part from proceeds of ad valorem taxes which, when added to all of its outstanding general obligation indebtedness, both bonded and floating, exceeds twenty percent (20%) of the assessed value of the taxable property within such municipality.

In arriving at the limitations set forth above, bonds issued for school purposes, bonds payable exclusively from the revenues of any municipally-owned utility, general obligation industrial bonds issued under the provisions of Sections 57-1-1 to 57-1-51, Mississippi Code of 1972, as amended, and special assessment improvement bonds issued under the provisions of Sections 21-41-1 to 21-41-53, Mississippi Code of 1972, as amended, are not included. Also excluded from both limitations are contract obligations subject to annual appropriations.

## Outstanding General Obligation Bonded Debt

(As of November 1, 2018)

Issue	Date of Issue	Outstanding Principal*
General Obligation Water & Sewer Bonds	10/01/10	2,525,000
General Obligation Pool Loan Refunding Bonds	11/03/15	2,745,000
General Obligation Water & Sewer Refunding Bonds	11/24/15	3,435,000
General Obligation Refunding Bonds	8/18/16	4,340,000
<b>Total</b>		<b>\$13,045,000</b>

SOURCE: Office of the Chief Financial Officer; October 2018.

\*All November 1 principal payments have been deducted as applicable.

## **Outstanding Revenue Bonded Debt**

(As of November 1, 2018)

<b>Issue</b>	<b>Date of Issue</b>	<b>Principal Outstanding</b>
Promissory Note (Hattiesburg, Mississippi Combined Water and Sewer System Construction Project) <sup>22</sup>	03/29/12	\$9,560,000
Promissory Note (Hattiesburg, Mississippi Combined Water and Sewer System Refunding and Construction Project) <sup>23</sup>	12/19/13	27,800,000
<b>Total</b>		<b>\$37,360,000</b>

SOURCE: Office of the Chief Financial Officer; October 2018.

Revenue bonds are payable as to principal and interest solely out of and secured by a pledge of the revenue to be derived from the operations of the facilities financed with the proceeds of such bonds and any other sum which may be received from or in connection with such facilities. Such bonds and the interest thereon are limited obligations of the City and shall never constitute nor give rise to any pecuniary liability of the City or a charge against its general credit or taxing powers.

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<sup>22</sup> Loan from the Mississippi Development Bank secured by a promissory note under a loan agreement between the Mississippi Development Bank and the City payable from (i) any legally available revenues of the City, and (ii) certain tax monies as described in the Loan Agreement. The promissory note and loan agreement secure the Mississippi Development Bank \$12,500,000 Special Obligation Bonds, Series 2012 (Hattiesburg, Mississippi Combined Water and Sewer System Construction Project), dated March 29, 2012.

<sup>23</sup> Loan from the Mississippi Development Bank secured by a promissory note under a loan agreement between the Mississippi Development Bank and the City payable from (i) any legally available revenues of the City, and (ii) certain tax monies as described in the Loan Agreement. The promissory note and loan agreement secure the Mississippi Development Bank \$28,000,000 Special Obligation Bonds, Series 2013 (Hattiesburg, Mississippi Combined Water and Sewer System Refunding and Construction Project), dated December 19, 2013.

## **Other Outstanding Long Term Debt**

(As of November 1, 2018)

<b>Issue</b>	<b>Date of Issue</b>	<b>Outstanding Principal</b>
SRF - Note 3	1987	8,258
Tax Increment Limited Obligation Bonds (Chauvet Square Project) <sup>24</sup>	08/01/2003	410,000
Tax Increment Limited Obligation Bonds (Chauvet Square Project Phase II)	5/01/2007	980,000
Tax Increment Limited Obligation Bonds (Market at Turtle Creek Project)	8/24/2007	1,125,000
Tax Increment Limited Obligation Bonds (Lincoln Center)	4/23/2008	245,000
Tax Increment Limited Obligation Bonds (Turtle Creek Crossing Project)	6/20/2011	190,000
Taxable Tax Increment Limited Obligation Bonds (Turtle Creek Commons Project)	12/29/2011	245,000
Hub City LOFTS	2012	1,496,729
Tax Increment Limited Obligation Bonds (Southern Pointe Phase II)	4/10/2014	2,075,000
Certificates of Participation (Hattiesburg MS Lease Purchase Project) Series 2015	12/29/2015	5,125,000
Taxable Tax Increment Limited Obligation Bonds (The Ridge at Turtle Creek Project) Series 2015 A	12/30/2015	1,108,000
Taxable Tax Increment Limited Obligation Bonds (Midtown Market Project) Series 2015 B	12/30/2015	190,000
Taxable Tax Increment Limited Obligation Bonds, Series 2016 (Whispering Pines Retirement Community Project)	08/10/2016	2,712,000
Taxable Special Obligation Bonds, Series 2016	8/18/2016	20,585,000
<b>Total</b>		<b>\$36,494,987</b>

SOURCE: Office of the Chief Financial Officer; October 2018.

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<sup>24</sup> These bonds are payable as to principal and interest solely from the avails of a tax increment resulting from the taxation by the City of the "captured assessed value" of the project, and the property on which it is located, for which the improvements financed with the proceeds from these bonds benefited.

**Annual Debt Service Requirements**<sup>25</sup>

<b>FY Ending September 30</b>	<b>General Obligation Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2019	\$3,059,000.00	\$ 310,121.26	\$3,369,121.26
2020	3,136,000.00	251,367.26	3,387,367.26
2021	3,215,000.00	187,143.76	3,402,143.76
2022	1,655,000.00	116,373.76	1,771,373.76
2023	840,000.00	79,586.26	919,586.26
2024	575,000.00	58,833.76	633,833.76
2025	205,000.00	47,431.26	252,431.26
2026	210,000.00	41,308.76	251,308.76
2027	220,000.00	34,858.76	254,858.76
2028	230,000.00	27,993.76	257,993.76
2029	245,000.00	20,600.63	265,600.63
2030	255,000.00	12,692.50	267,692.50
2031	265,000.00	4,306.25	269,306.25
<b>Total</b>	<b>\$14,110,000.00</b>	<b>\$1,192,617.98</b>	<b>\$15,302,617.98</b>

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<sup>25</sup> As of November 2018.

**General Obligation Bonded Debt**

Issue	Fiscal Year Ended September 30				
	2018	2017	2016	2015	2014
General Obligation Refunding Bonds (12/3/07)	-0-	710,000	1,395,000	2,055,000	2,685,000
General Obligation Water & Sewer Bonds (03/04/09)	-0-	-0-	-0-	5,075,000	5,525,000
General Obligation Refunding Bonds (05/14/09)	-0-	-0-	-0-	955,000	1,885,000
General Obligation Pool Loan Refunding Bonds (12/21/09)	-0-	-0-	-0-	805,000	7,070,000
Taxable General Obligation Refunding Bonds (7/15/10)	-0-	1,915,000	2,015,000	2,110,000	2,205,000
General Obligation Water & Sewer Bonds (10/01/10)	2,680,000	2,830,000	2,975,000	3,110,000	3,240,000
General Obligation Note (3/19/13)	-0-	-0-	-0-	-0-	-0-
General Obligation Pool Loan Refunding Bonds (11/03/15)	3,655,000	4,540,000	5,400,000	-0-	-0-
General Obligation Water & Sewer Refunding Bonds (11/24/15)	3,435,000	3,990,000	4,525,000	-0-	-0-
General Obligation Refunding Bonds (8/18/16)	4,340,000	5,741,000	7,125,000	-0-	-0-
<b>Totals:</b>	<b>\$14,110,000</b>	<b>\$19,726,000</b>	<b>\$23,435,000</b>	<b>\$14,110,000</b>	<b>\$22,610,000</b>

### Debt Ratios

<b>FY Ended September 30</b>	<b>General Obligation Debt</b>	<b>General Obligation Debt to Assessed Value</b>
2018	\$14,110,000	2.93%
2017	19,726,000	4.18
2016	23,435,000	5.15
2015	14,110,000	3.31
2014	22,610,000	5.20

### Overlapping General Obligation Indebtedness

<b>County</b>	<b>2010 Population</b>	<b>Current Assessed Valuation</b>	<b>General Obligation Bonded Debt</b>	<b>General Obligation Bonded Debt Per Capita</b>
Forrest County <sup>26</sup>	74,934	\$675,178,318	\$19,335,000	\$258.03

<b>School District</b>	<b>Current Assessed Valuation<sup>27</sup></b>	<b>Total General Obligation Bonded Debt<sup>28</sup></b>
Hattiesburg Public School District	\$320,500,612	\$1,155,000

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<sup>26</sup> Source: Office of the County Administrator, October 2018.

<sup>27</sup> Source: Office of the City Clerk, October 2018.

<sup>28</sup> Source: FY 2017 Audited Financial Statements of the School District.

**APPENDIX B**  
**FINANCIAL INFORMATION FOR THE CITY**



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**FINANCIAL STATEMENT FOR FISCAL YEAR**  
**ENDED SEPTEMBER 30, 2016**

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**ADOPTED BUDGET FOR FISCAL YEAR 2019**

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**APPENDIX C**

**FORM OF THE CITY BOND RESOLUTION AND THE CITY BOND**

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**APPENDIX D**  
**FORM OF BOND COUNSEL OPINION**

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## FORM OF BOND COUNSEL OPINION

Upon the delivery of the Series 2019 Bonds Butler Snow LLP, Ridgeland, Mississippi, Bond Counsel, proposes deliver an opinion in substantially the following form:

Mississippi Development Bank  
Jackson, Mississippi

Re: \$\_\_\_\_,000 Mississippi Development Bank Special Obligation Bonds, Series 2018 (Hattiesburg, Mississippi General Obligation Bond Project), dated the date of delivery thereof (the “**Series 2019 Bonds**”)

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the Mississippi Development Bank (the “**Issuer**”) of the above described Series 2019 Bonds, pursuant to an Indenture of Trust (the “**Indenture**”), dated as of \_\_\_\_, 2019, by and between the Issuer and \_\_\_\_, \_\_\_\_, Mississippi, as Trustee (the “**Trustee**”). The Series 2019 Bonds are being issued by the Issuer for the principal purpose of providing funds for the purchase of the \$\_\_\_\_,000 General Obligation Bond, Series 2019 (the “**City Bond**”) being issued by the City of Hattiesburg, Mississippi (the “**City**”) to finance certain public improvements within the City. We have examined the law and a certified transcript of proceedings of the Issuer relative to the authorization, issuance and sale of the Series 2019 Bonds and such other papers as we deem necessary to render this opinion, including (a) the tax covenants and representations of the Issuer made in the Indenture and in the Tax Regulatory Agreement and Arbitrage Certificate, dated \_\_\_\_, 20\_\_ (the “**Arbitrage Certificate**”) by the Issuer and the City, and (b) the tax covenants and representations of the City made in a resolution (the “**City Bond Resolution**”) adopted by the Mayor and City Council of the City on November 6, 2018, and in the Arbitrage Certificate. Together the covenants and representations made in the Indenture, the City Bond Resolution and the Arbitrage Certificate are referred to herein as the “Tax Representations and Covenants”.

Capitalized terms not defined herein shall have the definitions as set forth in the Indenture and the City Bond Resolution.

Regarding facts material to our opinions, we have relied upon the certified transcript of proceedings of the Issuer and the City and other certificates of public officials, including the Tax Representations and Covenants, and have not undertaken to verify any facts by independent investigation.

Based upon our examination, and subject to the assumptions and the qualifications herein, we are of the opinion, as of the date hereof, as follows:

1. The Series 2019 Bonds are legal, valid and binding limited obligations of the Issuer enforceable in accordance with the terms thereof. The Series 2019 Bonds are payable from and secured only by the certain payments and funds to be received by the Issuer and the Trustee and pledged to the Series 2019 Bonds under the Indenture.

2. The Indenture is a valid and binding agreement of the Issuer enforceable in accordance with its terms. The Indenture creates the valid pledge which it purports to create in the Funds and Accounts under the Indenture and the City Bond, including the investments thereof (excepting therefrom the Rebate Fund), subject to the application thereof to the purposes and on the conditions permitted by the Indenture.

3. Under and pursuant to the Act, the Series 2019 Bonds and interest thereon are exempt from all income taxes imposed by the State of Mississippi (the “State”).

4. Under existing statutes, regulations, rulings and court decisions, subject to the assumption stated below, interest on the Series 2019 Bonds is excludable from gross income for federal income tax purposes. Furthermore, interest on the Series 2019 Bonds is not an item of tax preference for purposes of the federal alternative minimum; however, for the tax year beginning before January 1, 2018, interest on the Series 2019 Bonds is taken into account in determining adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on corporations. We express no opinion regarding other federal tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of the Series 2019 Bonds. In rendering the opinion contained in this paragraph 4, we have assumed continuing compliance with the requirements of the Internal Revenue Code of 1986, as amended (the “Code”), that must be met by the Issuer and the City after the issuance of the Series 2019 Bonds, including the Tax Representations and Covenants, in order that interest on the Series 2019 Bonds not be included in gross income for federal income tax purposes. The failure to meet such requirements may cause interest on the Series 2019 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2019 Bonds. The Bank and the City have covenanted in the Tax Representatives and Covenants to comply with or to require compliance with the requirements of the Code in order to maintain the exclusion of interest on the Series 2019 Bonds from gross income for federal income tax purposes.

Owners of the Series 2019 Bonds should consult their own tax advisors as to the applicability and effect on their federal income taxes of any other collateral federal income tax consequences.

In this opinion letter issued in our capacity as Bond Counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of any statements made in connection with any offer, placement or sale of the Series 2019 Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Series 2019 Bonds, except those specifically addressed herein.

In rendering the foregoing opinions, we have assumed the accuracy and truthfulness of all public records and of all certificates, resolutions, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We also have assumed the genuineness of the signatures appearing upon such public records, certifications, resolutions, documents and proceedings.

It is to be understood that the rights of the owners of the Series 2019 Bonds and the enforceability of the Series 2019 Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity. In rendering the opinions in paragraphs 1 and 2 above, we have relied upon the opinion of Balch & Bingham, LLP, as counsel to the Issuer, as to the due authorization, execution and delivery by and enforceability against the Issuer of the Series 2019 Bonds and the Indenture.

This opinion letter is issued as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

BUTLER SNOW LLP



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**APPENDIX F**

**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

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## CONTINUING DISCLOSURE CERTIFICATE

**THIS CONTINUING DISCLOSURE CERTIFICATE** (this "**Disclosure Certificate**") is executed and delivered by the City of Hattiesburg, Mississippi (the "**City**") in connection with the issuance of \$\_\_\_\_\_ Mississippi Development Bank Special Obligation Bonds, Series 2019 (Hattiesburg, Mississippi General Obligation Bond Project), dated the date of delivery thereof (the "**Bonds**"). The Bonds are being issued pursuant to an Indenture of Trust (the "**Indenture**"), dated \_\_\_\_, 2019, between the Mississippi Development Bank (the "**Bank**") and \_\_\_\_ Bank, \_\_\_\_, Mississippi, as trustee (the "**Trustee**"). The proceeds of the Bonds will be used by the Bank to purchase the City's \_\_\_\_\_ General Obligation Bond, Series 2019 (the "**City Bond**"). The proceeds of the City Bond will be used by the City to finance the costs of various capital improvements in the City. The City covenants and agrees as follows:

**SECTION 1. Purpose of the Disclosure Certificate.** This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "**SEC**").

**SECTION 2. Definitions.** In addition to the definitions set forth in the Indenture or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"**Annual Report**" shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"**Dissemination Agent**" shall mean, initially, the City, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

"**Material Events**" shall mean any of the events listed in Section 5 of this Disclosure Certificate.

"**MSRB**" shall mean the Municipal Securities Rulemaking Board. As of the date hereof, the MSRB's required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system available on the Internet at <http://emma.msrb.org>.

"**Participating Underwriter**" shall mean the original underwriters of the Bonds required to comply with the Rule in connection with an offering of the Bonds.

"**Rule**" shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

### **SECTION 3. Provision of Annual Reports.**

a. The City shall, or shall cause the Dissemination Agent to, not later than twelve (12) months following the end of the City's fiscal year of each year, commencing twelve (12) months following the end of the City's fiscal year ending September 30, 2019, provide to the MSRB (in an electronic format as prescribed by the MSRB), an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report. The information to be updated may be reported in any format chosen by the City; it is not required that the format reflected in this Official Statement be used in future years.

b. If the City is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the City shall file or cause to be filed with the MSRB a notice in substantially the form attached as Exhibit "A" or in another form determined by the City in a timely manner.

c. The Dissemination Agent shall:

(1) determine each year prior to the date for providing the Annual Report the appropriate electronic format prescribed by the MSRB;

(2) if the Dissemination Agent is other than the City, send written notice to the City at least 30 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and

(3) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the entities to which it was provided.

**SECTION 4. Content of Annual Reports.** The City's Annual Report shall contain or incorporate by reference the following:

a. A copy of its annual financial statements prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial information, if available, or adopted budgets of the City will be provided as part of the Annual Report and audited financial statements will be provided when and if available.

b. An update of the financial information of the type included in Exhibit B.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's Internet Web Site or filed with the SEC. The City shall clearly identify each such document incorporated by reference.

**SECTION 5. Reporting of Material Events.** The City shall file or cause to be filed with the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the events listed below with respect to the Bonds:

a. Principal and interest payment delinquencies;

b. Non-payment related defaults, if material;

c. Unscheduled draws on debt service reserves reflecting financial difficulties;

d. Unscheduled draws on credit enhancements reflecting financial difficulties;

e. Substitution of credit or liquidity providers or their failure to perform;

f. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

g. Modifications to rights of bondholders, if material;

- h. Bond calls, if material, and tender offers;
- i. Defeasances;
- j. Release, substitution or sale of property securing repayment of the Bonds, if material;
- k. Rating changes;
- l. Bankruptcy, insolvency, receivership or similar event of the obligated person;
- m. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- n. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

**SECTION 6. Format; Identifying Information.** All documents provided to the MSRB pursuant to this Disclosure Certificate shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Disclosure Certificate, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

**SECTION 7. Termination of Reporting Obligation.** The City's obligations under this Disclosure Certificate shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Bonds; (ii) the date that the City shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

**SECTION 8. Dissemination Agent.** The City may, from time to time, appoint or engage a Dissemination Agent to assist the City in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

**SECTION 9. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate and may waive any provision of this Disclosure Certificate, without the consent of the holders and beneficial owners of the Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The City will provide notice of such amendment or waiver to the MSRB.

**SECTION 10. Additional Information.** Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

**SECTION 11. Default.** In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

**SECTION 12. Beneficiaries.** This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

**IN WITNESS WHEREOF**, the City has caused this Disclosure Agreement to be executed by a duly authorized officer, all as of this \_\_\_\_ day of \_\_\_\_, 20 \_\_\_\_.

(SEAL)

**CITY OF HATTIESBURG, MISSISSIPPI**

By \_\_\_\_\_  
Mayor

ATTEST:

By \_\_\_\_\_  
City Clerk

**EXHIBIT A**

**NOTICE OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Mississippi Development Bank  
Name of Conduit Borrower: City of Hattiesburg, Mississippi (the "City")  
Name of Bond Issue: \_\_\_\_\_ Mississippi Development Bank Special Obligation Bonds, Series  
2019 (Hattiesburg, Mississippi General Obligation Bond Project) (the "Series  
2019 Bonds")  
Date of Issuance: \_\_\_\_\_, 2019  
CUSIP Numbers:

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the Bonds as required by the Continuing Disclosure Certificate executed on \_\_\_\_, 20\_\_ by the City. The City anticipates that the Annual Report will be filed by \_\_\_\_\_ \_\_\_\_, 20\_\_.

Dated: \_\_\_\_\_, \_\_\_\_\_

## EXHIBIT B

Name of Issuer: Mississippi Development Bank

Name of Conduit Borrower: City of Hattiesburg, Mississippi (the “City”)

Name of Bond Issue: \_\_\_\_\_ Mississippi Development Bank Special Obligation Bonds, Series 2019 (Hattiesburg, Mississippi General Obligation Bond Project) (the “Series 2019 Bonds”)

Date of Issuance: \_\_\_\_\_, 2019

CUSIP Numbers:

### **Government**

Name	Occupation	Position Held Since



## TAX INFORMATION

### Assessed Valuation of the City<sup>29</sup>

Assessment Year	Real Property	Personal Property	Public Utility Property	Mobile Homes	Auto- Mobiles	Total

### Tax Levy Per \$1,000 Valuation<sup>30</sup>

City - General Purpose:					
Operating Millage					
Debt Millage					
Total for City:					

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<sup>29</sup> The total assessed valuation is approved in September preceding the fiscal year of the City and represents the value of real property, personal property and public utility property for the year indicated on which taxes are assessed for the following fiscal year's budget. For example, the taxes for the assessed valuation figures for 20\_\_ are collected starting in January, 20\_\_ for the 20\_\_-20\_\_ fiscal year budget of the City.

<sup>30</sup> Tax levy figures given is mills. The County levies a tax of nine cents per acre on all timbered and/or uncultivated land located in the County.

**Ad Valorem Tax Collections**

Fiscal Year Ended September 30	Amount Budgeted	Amount Collected	Difference Over/(Under)

**Outstanding General Obligation Bonded Debt**

(as of \_\_\_\_\_)

Issue	Date of Issue	Outstanding Principal

**Other Outstanding Debt**

(as of \_\_\_\_\_)

Issue	Date of Issue	Outstanding Principal