

SUPPLEMENT
TO
OFFICIAL STATEMENT DATED FEBRUARY 26, 2020
relating to

\$15,435,000
State Shared Gross Receipts Tax Refunding Revenue Bonds
Series 2020

This Supplement supplements the Official Statement dated February 26, 2020 (the "Official Statement") of the City of Las Cruces, New Mexico (the "City") relating to the above-captioned State Shared Gross Receipts Tax Refunding Revenue Bonds, Series 2020. This Supplement is considered a part of, and should be read together with, the Official Statement. This Supplement is dated as of March 26, 2020.

The Official Statement is hereby corrected and supplemented as follows:

ADDITIONAL SPECIAL FACTOR RELATING TO THE BONDS

The following language is added as a new section under the caption SPECIAL FACTORS RELATING TO THE BONDS.

Public Health Pandemics or Outbreak Risks

An international, national or localized public health pandemic or outbreak could adversely impact the City's operations and finances and the Pledged Revenues. The World Health Organization has declared a pandemic following the outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus.

On March 11, 2020, New Mexico Governor Michelle Lujan Grisham issued Executive Order 2020-004, declaring a state of public health emergency and directing State agencies to use all resources necessary to prepare for and respond to the outbreak. On March 13, 2020, President Donald Trump declared a national emergency to unlock federal funds to help states and local governments fight the pandemic. On the same date, Governor Lujan Grisham issued Executive Order 2020-05, which ordered the closure of all public schools in the state until April 6, 2020.

On March 23, 2020, in response to the Governor's declaration of the state of public health emergency, New Mexico Department of Health Secretary Kathyeleen Kunkel issued a public health order closing all businesses and non-profit entities except for those deemed essential, but allowing for the conduct of business through telecommuting and work from home. Under that order, New Mexico citizens have been advised to stay home except for necessary outings, avoid crowds and avoid all non-essential travel including plane trips and cruise ships. The order directs that hotels, motels, RV parks, and other places of lodging shall not operate at more than 50% of maximum occupancy for so long as Executive Order 2020-004 is in effect, which is initially for a period 30 days but may be renewed or extended. Mass gatherings are prohibited. Mass

gatherings are defined as any public or private gathering that brings together five or more individuals in a single room or connected space, confined outdoor space or an open outdoor space where individuals are within six (6) feet of each other, but do not include the presence of five (5) or more individuals where those individuals regularly reside. Mass gatherings do not include individuals congregated in a church, synagogue, mosque or other place of worship. There can be no assurance that additional restrictions applicable to lodging occupancy, travel, or mass gathering won't be imposed.

The New Mexico Department of Health provides information relating to COVID-19 and related developments in the State of New Mexico on its website, <https://cv.nmhealth.org/>. The information presented on the NMDOH website is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds. References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Supplement.

The current spread of COVID-19 is altering the behavior of businesses and people in a manner that may have negative effects on economic activity, and therefore adversely affect the financial condition of the City, either directly or indirectly. The City cannot predict (i) the duration or extent of the COVID-19 outbreak/pandemic; (ii) the duration or expansion of public health orders, regulations or legislation, mandated or voluntary business closings, travel restrictions or warnings; (iii) the extent or duration of the negative effects that any COVID-19 or other outbreak/pandemic-related orders, regulations, legislation, restrictions or warnings will have on the local or global economy; (iv) the duration of lodging occupancy and travel restrictions or (v) the extent of the adverse financial impact that such circumstances or economic effects will have on the Pledged Revenues or the City's financial condition. In addition, financial markets in the United States and globally have experienced significant volatility or declines in connection with the COVID-19 which may have a material impact on the market price of the Bonds.

The Official Statement was prepared prior to widespread public attention to the emergence of COVID-19 in the United States, and therefore the assumptions, information and conclusions in the Official Statement should be read and considered in the context of the matters described in this Supplement, which may materially and adversely affect the assumptions, information and conclusions set forth therein.

The City is providing this disclosure to satisfy its primary disclosure obligations and is not obligated to continue or to update such disclosure.

CORRECTION TO ANNUAL DEBT SERVICE SUMMARY COVERAGE CALCULATIONS

Additionally, on page 21, the table showing the Annual Debt Service Summary is revised and replaced in its entirety and reads as follows:

ANNUAL DEBT SERVICE SUMMARY

The following table sets forth for each fiscal year from 2020 through 2039 the amounts required in each such fiscal year to pay scheduled annual debt service on the Series 2020 Bonds, outstanding Parity SSGRT Obligations, outstanding Subordinate Bonds, as well as the debt service coverage ratio, based on fiscal year 2019 Pledged SSGRT Revenues.

Series 2020 Bonds Debt Service/Coverage

Fiscal Year Ending June 30	Debt Service on Outstanding Parity Obligations ⁽¹⁾	Debt Service on Outstanding Subordinate Lien Obligations	Debt Service on 2020 Bonds	Total Debt Service	Estimated Pledged SSGRT Revenues ⁽²⁾	Senior Lien Debt Service Coverage ^{*(2)}	Combined Senior and Subordinate Bonds Coverage	% of FY 2020 Hold Harmless Distribution
2020	\$6,910,292	\$ 947,129	\$ 691,168	\$8,548,589	\$36,615,483	4.82x	4.28x	63%
2021	5,026,391	1,009,059	1,108,456	7,143,906	36,316,333	5.92x	5.08x	56%
2022	4,699,790	1,545,334	1,112,056	7,357,180	36,017,183	6.20x	4.90x	49%
2023	4,709,727	1,549,528	1,109,656	7,368,911	35,718,033	6.14x	4.85x	42%
2024	2,970,238	1,547,479	1,111,456	5,629,173	35,418,883	8.68x	6.29x	35%
2025	2,912,888	1,542,811	1,107,256	5,562,955	35,119,733	8.74x	6.31x	28%
2026	2,604,838	1,546,596	1,107,256	5,258,690	33,923,132	9.14x	6.45x	21%
2027	1,902,838	1,547,869	1,111,256	4,561,963	34,820,582	11.55x	7.63x	14%
2028	1,882,900	1,556,336	1,109,056	4,548,292	34,521,432	11.54x	7.59x	7%
2029	1,866,150	1,556,241	1,110,856	4,533,247	34,222,282	11.50x	7.55x	0%
2030	1,207,550	1,564,373	1,111,456	3,883,379	33,923,132	14.63x	8.74x	0%
2031	1,212,250	1,570,159	1,110,856	3,893,265	33,923,132	14.60x	8.71x	0%
2032	1,215,900	763,863	1,109,056	3,088,819	33,923,132	14.59x	10.98x	0%
2033	1,218,500	765,574	1,111,056	3,095,130	33,923,132	14.56x	10.96x	0%
2034	1,220,050	766,468	1,111,656	3,098,174	33,923,132	14.55x	10.95x	0%
2035	1,220,550	766,531	1,110,856	3,097,937	33,923,132	14.55x	10.95x	0%
2036			1,108,656	1,108,656	33,923,132	30.60x	30.60x	0%
2037			1,110,056	1,110,056	33,923,132	30.56x	30.56x	0%
2038			1,109,856	1,109,856	33,923,132	30.57x	30.57x	0%
2039			1,108,056	1,108,056	33,923,132	30.61x	30.61x	0%

⁽¹⁾ Includes the December 1, 2019 interest payment for the City's State Shared Gross Receipts Tax Revenue Bonds, Series 2010, which will be refunded with proceeds of the Series 2020 Bonds.

⁽²⁾ Estimated Pledged SSGRT Revenues are based on actual Pledged SSGRT Revenues received by the City for Fiscal Year ending June 30, 2019, excluding the estimated reduction of Hold Harmless Distributions attributable to the State Shared Gross Receipts Tax for Fiscal Year ending June 30, 2020. The decline in Estimated Pledged SSGRT Revenues shown for Fiscal Years 2020 through 2030 reflects the statutory phase-out of Hold Harmless Distributions that began in fiscal year 2016 and culminates in Fiscal Year 2030, when the Hold Harmless Distributions are eliminated. There is no assurance that Pledged SSGRT Revenues received in the future will equal the Pledged SSGRT Revenues used in coverage computations. See "Gross Receipts Tax Hold Harmless Distributions" and "PLEDGED REVENUES-- *State Shared Gross Receipts Tax Report*" herein. Coverage calculations are based solely on Pledged State Shared Gross Receipts Tax Revenues pledged to payment of the Bonds and outstanding State Shared Gross Receipts Tax Parity Obligations. In addition to the Pledged State Shared Gross Receipts Tax Revenues, the Bonds are also secured by the Pledged Convention Center Fee Revenues and the Pledged Lodgers' Tax Revenues.