



Date: November 11, 2021

To: City Council
City of Saginaw, Texas

From: Mark McLiney
Andrew Friedman
SAMCO Capital Markets, Financial Advisor to the City

cc. Chris Settle
McCall Parkhurst and Horton, Bond Counsel to the City

RE: Beltmill Public Improvement District ("Beltmill PID")

As previously discussed, the Beltmill PID is a 115.432-acre development consisting of 196 single-family, 43.50-acre multi-family and 10.95-acre commercial improvements. The creation of the PID was approved by City Council on March 16, 2021, in accordance with the PID Act.

At the City Council meeting scheduled for November 16, 2021, City Council is being asked to approve the Cost Determination Resolution, calling a Public Hearing for December 7th to discuss the PID levy and assessment, approving the Preliminary Service and Assessment Plan ("PSAP") and the proposed assessment roll, and directing publication of Notice of the hearing. These items are statutorily required to allow for the Levying of the PID Assessments and approval of the Final Service and Assessment Plan which will occur at the City Council meeting on December 7, 2021. At the same meeting, the PID Reimbursement Agreement, allowing for the Developer to be reimbursed for qualified Public Improvements from the Assessments, will be considered for approval.

It is estimated that the Project Costs of Public Improvements will total approximately \$9,879,000, of which the Developer will be allowed to be reimbursed through PID Assessments of approximately \$7,232,000. Details of the expenditures and assessments are included in the PSAP. The Assessments will be borne by the property owner and will be paid annually, like their taxes, for the term of the PID. The assessments will add a Tax Rate Equivalent of \$0.28 to their existing taxes and will be collected by Tarrant County. The assessments cannot be more than the benefit that each property will gain from the improvements. Unlike taxes, the assessments can be paid up front by the property owner and if done, they will have no longer be liable for assessments.

It is important to remember, that the assessments are only paid by the people that live within the PID and not from any other taxpayers. Further, although all Public Improvements will be dedicated to the City, the City will have no financial obligation to pay for any of the construction (unless we request oversizing). No Taxes, Revenues or other funds of the City will be dedicated to this project and nothing that the City does will constitute any obligation. The City will be reimbursed for all costs including time of staff time and outside consultants by the Developer. FINALLY, THE PID WILL NOT HURT THE CITY'S BOND RATING.