



Date: December 3, 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 on November 16, 2021, the City Council approved the Cost Determination Resolution, called a Public Hearing for December 7th to discuss the PID levy and assessment, approved the Preliminary Service and Assessment Plan and the proposed assessment roll, and directed publication of Notice of the hearing.

At the Council meeting on December 7, 2021, City Council will open and hold a public hearing regarding the PID Levy and Assessment. After the Public Hearing, the City Council will consider an Ordinance levying assessments on the PID, approving the Final Service and Assessment Plan ("SAP"), and approving the Reimbursement Agreement between the City and the Developer. The Reimbursement Agreement will allow for the Developer to be Reimbursed for Public Improvements that he pays for from the collection of the PID assessment.

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 \$7,230,000. Details of the expenditures and assessments are included in the SAP. 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, giving each property owner the opportunity to avoid paying future interest on their assessment, and, if done, the assessment lien on such properties will terminate, and current and future owners of such properties will 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.