

EXHIBIT A

FY 2011/2012 - Service and Assessment Plan Glade Parks Public Improvement District (PID) City of Euless, Texas

1. Introduction

On December 14, 2010, the City Council of the City of Euless, Texas passed and adopted Resolution No. 10-1350 (**Appendix A**) establishing the Glade Parks Public Improvement District (PID).

2. Nature of the Improvements

The general nature of the improvements to be funded by the PID over the next five (5) years and beyond is the construction of public infrastructure, pedestrian amenities and linkages and other improvements that are authorized by Chapter 372 of the Texas Local Government Code.

3. Authorized Improvements

	Estimated Costs
1) Construction of Rio Grand Boulevard	\$3,911,023
2) Construction of Rio Grande Bridge	\$1,016,065
3) Construction of Heritage Drive	\$231,767
4) SH – 121 improvements	\$1,297,164
5) Landscaping	\$517,029
6) Wetland mitigation	\$296,000
7) Construction of Brazos and remaining streets	\$3,494,309
8) Main Entrance and Median (Chisolm Trail)	\$587,247
9) <u>Administrative & Financing Costs</u>	<u>\$750,000</u>
Total Costs	\$12,100,604*

* does not include interest costs associated with financing the improvements.

4. Financing of Improvements

The Authorized Improvements will be funded through the issuance of certificates of obligation by the City of Euless. While the PID will not issue any debt, it will be responsible for all of the costs associated with Authorized Improvements including interest and financing costs (with the exception of TIRZ contributions as described below). It is anticipated that the certificates of obligation will be issued in three separate phases to pay for the Authorized Improvements on an as needed basis. The expected debt issuance schedule is shown below.

	<u>Year</u>	<u>Total Debt</u>
Phase 1	2011	\$3,035,000
Phase 2	2012	\$6,000,000
Phase 3	2013	<u>\$3,065,000</u>
Total Issuance		\$12,100,000

The detailed amortization of the Authorized Improvements is attached as **Appendix B**.

5. Assessment Plan

In addition to the use of PID funds it is anticipated that Tax Increment Reinvestment Zone Number Three, City of Euless, Texas – Glade Parks (the “TIRZ”) will contribute to the costs of the Authorized Improvements. As the TIRZ fund begins to accrue revenue from the incremental increase in property values, the PID assessment will be decreased by an amount equal to the total amount of revenue received in the TIRZ fund annually. A more detailed description of the PID assessment calculation methodology and the relationship between the PID and the TIRZ is described below.

PID Assessment Calculation $A - B = C$

The PID assessment will be calculated annually and be equal to the preceding fiscal year’s total debt service costs less any revenue collected by the TIRZ in the preceding fiscal year. In the example above (A) represents total debt service (B) represents TIRZ funds and (C) represents total PID assessment revenue. For a concrete example, we will use the Fiscal Year 2013 estimated assessment. In FY2012, it is anticipated that the Phase 1 & Phase 2 debt will have been issued and the total debt service payments (A) are estimated to equal \$282,994 while the TIRZ Revenue for FY2012 (B) is estimated to be \$13,350.

PID Assessment Calculation $\$282,994 - \$13,350 = \$269,644$

Therefore PID assessment would be set to a millage rate that provides revenue equal to \$269,644. To calculate the millage rate divide the PID assessment revenue (C) by the estimated taxable value of the PID for FY2013 and multiply the resulting number by 100 to find the tax rate per \$100 value.

Millage Calculation $(\$269,644 / \$22,758,821) * 100 = \$1.184788$

The annual assessment plan is attached as **Appendix C**.

6. Levy of Assessments

The assessment year shall be concurrent with the City’s ad valorem tax year. Assessment will be billed on October 1st or as soon thereafter as practicable and will be considered delinquent if not paid by January 31st of the following year.

7. Assessment Roll

The Assessment Roll for the next five years is attached as **Appendix D**.