

**EDGEWOOD CREEK  
PUBLIC IMPROVEMENT DISTRICT  
CITY OF CELINA, TEXAS**

**ANNUAL SERVICE PLAN UPDATE  
2022-23**

**AS APPROVED BY CITY COUNCIL ON:  
AUGUST 9, 2022**

**PREPARED BY:**

**MUNICAP, INC.**  
— PUBLIC FINANCE —

# **EDGEWOOD CREEK PUBLIC IMPROVEMENT DISTRICT**

## **ANNUAL SERVICE PLAN UPDATE – 2022-23**

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## *I. INTRODUCTION*

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The Edgewood Creek Public Improvement District (the “PID”) was created pursuant to the PID Act and a resolution of the City Council on May 12, 2020 to finance certain public improvement projects for the benefit of the property in the PID.

On January 12, 2021, the City approved issuance of the City of Celina, Texas Special Assessment Revenue Bonds, Series 2021 (Edgewood Creek Public Improvement District Phase #1 Project) (the “Phase #1 Bonds”) in the aggregate principal amount of \$4,465,000, and reimbursement obligations for the Phase #1 Reimbursement Agreement (the “Phase #1 Reimbursement Agreement”) in the aggregate principal amount of \$4,494,757 to finance, refinance, provide or otherwise assist in the acquisition, construction and maintenance of the public improvements provided for the benefit of the property in the PID. Both the Phase #1 Bonds and the Phase #1 Reimbursement Agreement are secured by the Phase #1 Assessments (the “Phase #1 Assessments”).

Additionally, on January 12, 2021, the City approved issuance of the City of Celina, Texas Special Assessment Revenue Bonds, Series 2021 (Edgewood Creek Public Improvement District Phases #2-3 Major Improvement Project) (the “Phases #2-3 Major Improvement Bonds”) in the aggregate principal amount of \$3,460,000, to finance, refinance, provide or otherwise assist in the acquisition, construction and maintenance of the public improvements provided for the benefit of the property in the PID. the Phases #2-3 Major Improvement Bonds are secured by the Phases #2-3 Assessments (the “Phases #2-3 Assessments”).

A service and assessment plan (the “Service and Assessment Plan”) was prepared at the direction of the City identifying the public improvements (the “Authorized Improvements”) to be provided by the PID, the costs of the Authorized Improvements, the indebtedness to be incurred for the Authorized Improvements, and the manner of assessing the property in the PID for the costs of the Authorized Improvements. Pursuant to the PID Act, the Service and Assessment Plan must be reviewed and updated annually. This document is the annual update of the Service and Assessment Plan for 2022-23 (the “Annual Service Plan Update”).

The City also adopted Assessment Rolls identifying the assessments on each Parcel within the PID, based on the method of assessment identified in the Service and Assessment Plan. This Annual Service Plan Update also updates the Assessment Roll for 2022-23.

Capitalized terms shall have the meanings set forth in the Service and Assessment Plan unless otherwise defined herein.

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## ***II. UPDATE OF THE SERVICE PLAN***

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### **A. UPDATED SOURCES AND USES FOR PUBLIC IMPROVEMENTS**

#### ***Phase #1 Improvements Sources and Uses***

The current total estimated costs of the Phase #1 Improvements (including the proportional share of the Major Improvement costs) is equal to \$8,959,757, which remain the same as the budget estimates included in the Service and Assessment Plan. According to the Developer, there have been line item amount revisions for the Authorized Improvements as shown in Table II-A-1 on the following page.

Table II-A-1 on the following page summarizes the updated sources and uses of funds required to (1) construct the Phase #1 Improvements, including the proportional share of the Phases #2-3 Major Improvement costs, (2) establish the PID, and (3) issue Phase #1 Bonds. For additional Phase #1 development-related information, refer to the link below:

<https://emma.msrb.org/P21569871-P21212674-P21633823.pdf>

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**Table II-A-1**  
**Phase #1 Sources and Uses of Funds**

<b>Sources of Funds</b>	<b>Initial Estimated Budget</b>	<b>Budget Revisions</b>	<b>Updated Budget</b>	<b>Spent to Date</b>	<b>Remaining to be Funded</b>
Par amount	\$4,465,000	\$0	\$4,465,000	\$4,120,847	\$344,153
Other funding sources	\$4,494,756	\$0	\$4,494,756	\$3,620,066	\$874,690
<b>Total Sources</b>	<b>\$8,959,756</b>	<b>\$0</b>	<b>\$8,959,756</b>	<b>\$7,740,913</b>	<b>\$1,218,843</b>
<b>Uses of Funds</b>					
<i>Major Improvements</i>					
Road Improvements	\$216,777	\$57,940	\$274,717	\$247,245	\$27,472
Water Improvements	\$111,240	\$0	\$111,240	\$100,116	\$11,124
Sanitary Sewer Improvements	\$107,962	\$0	\$107,962	\$91,134	\$16,828
Storm Drainage Improvements	\$177,686	\$0	\$177,686	\$139,659	\$38,027
Landscaping & Retaining Walls	\$395,098	\$0	\$395,098	\$178,449	\$216,649
Other Soft and Miscellaneous Costs	\$413,380	(\$57,940)	\$355,440	\$155,196	\$200,244
<i>Subtotal: Major Improvements</i>	<i>\$1,422,143</i>	<i>\$0</i>	<i>\$1,422,143</i>	<i>\$911,799</i>	<i>\$510,344</i>
<i>Phase #1 Improvements</i>					
Roadway Improvements	\$2,068,568	\$16,904	\$2,085,472	\$1,878,615	\$206,857
Water Improvements	\$549,505	\$0	\$549,505	\$479,975	\$69,530
Wastewater Improvements	\$799,170	\$0	\$799,170	\$704,282	\$94,888
Storm Drainage Improvements	\$779,297	\$0	\$779,297	\$659,349	\$119,948
Other Soft and Miscellaneous Costs	\$2,334,275	(\$16,904)	\$2,317,371	\$2,100,095	\$217,277
<i>Subtotal: Phase #1 Improvements</i>	<i>\$6,530,815</i>	<i>\$0</i>	<i>\$6,530,815</i>	<i>\$5,822,316</i>	<i>\$708,499</i>
<i>Bond Issuance Costs</i>					
Capitalized interest	\$296,721	\$0	\$296,721	\$296,721	\$0
Reserve fund	\$283,063	\$0	\$283,063	\$283,063	\$0
Administrative expense fund	\$35,000	\$0	\$35,000	\$35,000	\$0
Other costs of issuance including underwriter's discount	\$392,015	\$0	\$392,015	\$392,015	\$0
<i>Subtotal: Bond Issuance Costs</i>	<i>\$1,006,798</i>	<i>\$0</i>	<i>\$1,006,798</i>	<i>\$1,006,798</i>	<i>\$0</i>
<b>Total Uses</b>	<b>\$8,959,756</b>	<b>\$0</b>	<b>\$8,959,756</b>	<b>\$7,740,913</b>	<b>\$1,218,843</b>

<sup>1</sup>According to Edgewood Creek's Draw Request #15 as approved by the City on June 16, 2022.

### Phases #2-3 Major Improvements Sources and Uses

The current total estimated costs of the Phases #2-3 Major Improvements is equal to \$3,460,000, which remain the same as the budget estimates included in the Service and Assessment Plan. According to the Developer, there have been line item amount revisions for the Authorized Improvements as shown in Table II-A-2 on the following page.

Table II-A-2 on the following page summarizes the updated sources and uses of funds required to (1) construct the Phases #2-3 Major Improvements, (2) establish the PID, and (3) issue Phases #2-3 Major Improvement Bonds. For additional Phase #2-3 Major Improvement development-related information, refer to the link below:

<https://emma.msrb.org/P21569893-P21212692-P21633842.pdf>

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**Table II-A-2**  
**Phases #2-3 Major Improvements Sources and Uses of Funds**

<b>Sources of Funds</b>	<b>Initial Estimated Budget</b>	<b>Budget Revisions</b>	<b>Updated Budget</b>	<b>Spent to Date</b>	<b>Remaining to be Funded</b>
Par amount	\$3,460,000	\$0	\$3,460,000	\$2,896,872	\$563,128
Other funding sources	\$0	\$0	\$0	\$0	\$0
<b>Total Sources</b>	<b>\$3,460,000</b>	<b>\$0</b>	<b>\$3,460,000</b>	<b>\$2,896,872</b>	<b>\$563,128</b>
<b>Uses of Funds</b>					
<i>Major Improvements</i>					
Road Improvements	\$393,223	\$105,100	\$498,323	\$448,491	\$49,832
Water Improvements	\$201,785	\$0	\$201,785	\$181,606	\$20,179
Sanitary Sewer Improvements	\$195,838	\$0	\$195,838	\$165,312	\$30,526
Storm Drainage Improvements	\$322,314	\$0	\$322,314	\$253,335	\$68,979
Landscaping & Retaining Walls	\$716,690	\$0	\$716,690	\$323,698	\$392,992
Other Soft and Miscellaneous Costs	\$749,852	(\$105,100)	\$644,752	\$644,133	\$619
<i>Subtotal: Major Improvements</i>	<i>\$2,579,702</i>	<i>\$0</i>	<i>\$2,579,702</i>	<i>\$2,016,574</i>	<i>\$563,128</i>
Capitalized interest	\$287,708	\$0	\$287,708	\$287,708	\$0
Reserve fund	\$247,350	\$0	\$247,350	\$247,350	\$0
Administrative expense fund	\$35,000	\$0	\$35,000	\$35,000	\$0
Other costs of issuance including underwriter's discount	\$310,240	\$0	\$310,240	\$310,240	\$0
<i>Subtotal: Bond Issuance Costs</i>	<i>\$880,298</i>	<i>\$0</i>	<i>\$880,298</i>	<i>\$880,298</i>	<i>\$0</i>
<b>Total Uses</b>	<b>\$3,460,000</b>	<b>\$0</b>	<b>\$3,460,000</b>	<b>\$2,896,872</b>	<b>\$563,128</b>

<sup>1</sup>According to Edgewood Creek's Draw Request #15 as approved by the City on June 16, 2022.

## **B. FIVE YEAR SERVICE PLAN**

A service plan must cover a period of five years. All the Authorized Improvements are expected to be built within a period of five years. The anticipated budget for the Authorized Improvements over a period of five years and the indebtedness expected to be incurred for these costs is shown by Table II-B-1 on the following page.

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**Table II-B-1**  
**Annual Projected Costs and Annual Projected Indebtedness**  
**2022-2028**

<b>Assessment Year Ending 09/01<sup>1</sup></b>	<b>Phase #1 Projected Annual Installments</b>	<b>Phases #2-3 Projected Annual Installments</b>
2022	\$334,435	\$53,000
2023	\$618,953	\$301,050
2024	\$615,705	\$298,380
2025	\$618,321	\$300,710
2026	\$615,582	\$297,793
2027	\$618,674	\$299,891
2028	\$619,841	\$301,741
<b>Total</b>	<b>\$4,041,512</b>	<b>\$1,852,565</b>

<sup>1</sup>Assessment years ending 2022 through 2023 reflect actual Annual Installments and are net of applicable reserve fund income, capitalized interest and TIRZ Credits. Assessment years 2024 through 2028 reflect projected Annual Installments and are subject to change.

### **C. ANNUAL BUDGET – PHASE #1**

#### ***Phase #1 - Annual Installments – 2022-23***

The Assessment imposed on any Parcel may be paid in full at any time. If not paid in full, the Assessment shall be payable in thirty Annual Installments of principal and interest beginning with the tax year following the issuance of the Phase #1 Bonds and/or the execution of the Phase #1 Reimbursement Agreement, of which twenty-eight (28) Annual Installments remain outstanding.

Pursuant to the Service and Assessment Plan, each Assessment shall bear interest at the rate on the Phase #1 Bonds commencing with the issuance of the Phase #1 Bonds. The effective interest rate on the Phase #1 Bonds is 4.21 percent and the interest rate applicable to the Phase #1 Reimbursement Agreement is 4.57 percent per annum for 2022-23. Pursuant to Section 372.018 of the PID Act, the interest rate for that assessment may not exceed a rate that is one-half of one percent higher than the actual interest rate paid on the debt. Accordingly, the effective interest rate on the Phase #1 Bonds (4.21 percent) plus an additional interest of one-half of one percent and the effective interest rate on the Phase #1 Reimbursement Agreement (4.57 percent) are used to calculate the interest on the Assessments. These payments, the “Annual Installments” of the Assessments, shall be billed by the City in 2022 and will be delinquent on February 1, 2023.

Pursuant to the Service and Assessment Plan, the Annual Service Plan Update shall show the remaining balance of the Assessments, the Annual Installment due for 2022-23 and the Administrative Expenses to be collected from each Parcel. Administrative Expenses shall be allocated to each Parcel pro rata based upon the amount the Annual Installment on a Parcel bears to the total amount of Annual Installments in the PID as a whole that are payable at the time of such allocation. Each Annual Installment shall be reduced by any credits applied under applicable documents including the Service and Assessment Plan and Trust Indenture, such TIRZ No. 12 incremental taxes available to the PID (the TIRZ Annual Credit Amount), capitalized interest and interest earnings on any account balances and by any other funds available to the PID.



### Annual Budget for the Repayment of Indebtedness

Debt service will be paid on the Phase #1 Bonds and Phase #1 Reimbursement Agreement from the collection of the Annual Installments. In addition, Administrative Expenses are to be collected with the Annual Installments to pay expenses related to the collection of the Annual Installments. The additional interest collected with the Annual Installments will be used to pay the prepayment and delinquency reserve amounts as described in the Service and Assessment Plan and applicable Trust Indenture.

### Phase #1 Annual Installments to be Collected for 2022-23

The budget for Phase #1 of the PID will be paid from the collection of Annual Installments collected for 2022-23 as shown by Table II-C-1 below.

**Table II-C-1**  
**Budget for the Phase #1 Annual Installments**  
**to be Collected for 2022-23**

	<b>Phase #1 Bonds</b>	<b>Phase #1 Reimbursement Agreement</b>	<b>Total</b>
Interest payment on March 1, 2023	\$94,031	\$101,083	\$195,114
Interest payment on September 1, 2023	\$94,031	\$101,083	\$195,114
Principal payment on September 1, 2023	\$95,000	\$75,000	\$170,000
<i>Subtotal debt service</i>	<i>\$283,063</i>	<i>\$277,166</i>	<i>\$560,228</i>
Administrative expenses	\$18,284	\$18,116	\$36,400
Excess interest for prepayment and delinquency reserves	\$22,325	\$0	\$22,325
<i>Subtotal Expenses</i>	<i>\$323,672</i>	<i>\$295,281</i>	<i>\$618,953</i>
Available reserve fund income	\$0	\$0	\$0
Available capitalized interest account	\$0	\$0	\$0
Available administrative expense account	\$0	\$0	\$0
<i>Subtotal funds available</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
<b>Annual Installments</b>	<b>\$323,672</b>	<b>\$295,281</b>	<b>\$618,953</b>

### Debt Service Payments

Annual Installments to be collected for principal and interest include the Phase #1 Bonds' interest due on March 1, 2023 in the amount of \$94,031 and on September 1, 2023 in the amount of \$94,032, which equal interest on the outstanding Phase #1 Bond Assessments balance of \$4,465,000 for six months each and an effective interest rate of 4.21 percent. Phase #1 Bond Annual Installments to be collected include a principal amount of \$95,000 due on September 1,

2023. As a result, total Annual Installments to be collected for the Phase #1 Bonds' principal and interest in 2022-23 is equal to \$283,063.

Additionally, Annual Installments to be collected for principal and interest include Phase #1 Reimbursement Agreement interest due on March 1, 2023 in the amount of \$101,083 and on September 1, 2023 in the amount of \$101,083, which equal interest on the outstanding Phase #1 Reimbursement Agreement Assessments balance of \$4,423,757 for six months each and an effective interest rate of 4.57 percent. Phase #1 Reimbursement Agreement Annual Installments to be collected include a principal amount of \$75,000 due on September 1, 2023. As a result, total Annual Installments to be collected for Phase #1 Reimbursement Agreement principal and interest in 2022-23 is equal to \$277,166.

#### Administrative Expenses

Administrative expenses include the City, Trustee, Administrator, auditor, dissemination agent and contingency fees. As shown in Table II-C-2 below, the total Phase #1 administrative expenses to be collected for 2022-23 are estimated to be \$36,400.

**Table II-C-2**  
**Phase #1 Administrative Budget Breakdown**

<b>Description</b>	<b>2022-23 Estimated Budget (9/1/22-8/31/23)</b>
City	\$5,000
PID Administrator	\$24,500
Trustee	\$2,750
Auditor	\$1,000
Dissemination Agent	\$1,000
Contingency	\$2,150
<b>Total</b>	<b>\$36,400</b>

#### Excess Interest for Prepayment and Delinquency Reserve

Annual Installments to be collected for excess interest for prepayment and delinquency reserves in the amount of \$22,325, which equals 0.5 percent interest on the outstanding collective Phase #1 Bond Assessments balance of \$4,465,000.

#### Available TIRZ Credit

According to the City, there have not been any TIRZ increments collected in 2021. As a result, there are no funds to be used as TIRZ Credit in 2022-23 for the respective Parcels within Phase #1.

#### Available Capitalized Interest Account

As of June 30, 2022, and in accordance with Section 6.4(c) of the Trust Indenture, all Capitalized Interest funds have been fully expended. As a result, there is no credit to reduce the Phase #1 2022-23 Annual Installment.

#### Available Administrative Expense Account

As of June 30, 2022, the available balance for administrative expenses was \$24,168. \$24,168 is anticipated to be used for the payment of current year administrative expenses through January 31, 2023. As a result, there are no funds available in the Administrative Expense Fund to reduce the Phase #1 2022-23 Annual Installment.

#### **D. ANNUAL INSTALLMENTS PER UNIT – PHASE #1**

According to the Service and Assessment Plan, the Annual Installments shall be collected in an amount sufficient to pay (i) principal and interest on the Phase #1 Bonds and Phase #1 Reimbursement Agreement, (ii) to fund the prepayment reserve and delinquency reserve, and (iii) to cover Administrative Expenses of Phase #1. The Annual Installment for each Parcel shall be calculated by taking into consideration any available capitalized interest available.

According to the Service and Assessment Plan, 301 units are estimated to be built within Phase #1 of the PID. Accordingly, the principal and interest portion of Annual Installment to be collected from each unit within Phase #1 will be \$1,935.39 (i.e.  $(\$560,228 + \$22,325) \div 301 = \$1,935.39$ ) and the Administrative Expenses to be collected from each acre will be \$120.93 (i.e.  $\$36,400 \div 301 = \$120.93$ ). As a result, the total Annual Installment to be collected from each unit within Phase #1 will be \$2,056.32 (i.e.  $\$1,935.39 + \$120.93 = \$2,056.32$ ). The Annual Installment to be collected from each Parcel within Phase #1 is calculated by multiplying the Annual Installment for each unit of \$2,056.32 by the total estimated number of units for each Parcel in Phase #1, less the applicable TIRZ Credit, if any.

The Annual Installment due to be collected from each Land Use Class in Phase #1 for 2022-23 is shown in Table II-D-1 below.

**Table II-D-1**  
**Phase #1 Annual Installment Per Unit**

<b>Land Use Class</b>	<b>Annual Installment Per Unit</b>
50 ft	\$2,056.32

The list of Parcels within Phase #1 of the PID, the estimated number of units to be developed on the current residential Parcels, the total Assessment, the Annual Assessment, the Capitalized Interest Credit, the Prepayment and Delinquency Reserve, the Administrative Expenses and the

Annual Installment to be collected for 2022-23 are shown in the Assessment Roll Summary attached hereto as Appendix C.

## **E. ANNUAL BUDGET – PHASES #2-3 MAJOR IMPROVEMENT AREA**

### *Phases #2-3 Major Improvement - Annual Installments – 2022-23*

The Assessment imposed on any Parcel may be paid in full at any time. If not paid in full, the Assessment shall be payable in thirty annual installments of principal and interest beginning with the tax year following the issuance of the Phases #2-3 Major Improvement Bonds, of which twenty-eight (28) Annual Installments remain outstanding.

Pursuant to the Service and Assessment Plan, each Assessment shall bear interest at the rate on the Bonds commencing with the issuance of the Phases #2-3 Major Improvement Bonds. The effective interest rate on the Phases #2-3 Major Improvement Bonds is 5.27 percent. Pursuant to Section 372.018 of the PID Act, the interest rate for that Assessment may not exceed a rate that is one-half of one percent higher than the actual interest rate paid on the debt. Accordingly, the effective interest rate on the Phases #2-3 Major Improvement Bonds (5.27 percent) plus an additional interest of one-half of one percent are used to calculate the interest on the Assessments. These payments, the “Annual Installments” of the Assessments, shall be billed by the City in 2022 and will be delinquent on February 1, 2023.

Pursuant to the Service and Assessment Plan, the Annual Service Plan Update shall show the remaining balance of the Assessments, the Annual Installment due for 2022-23 and the Administrative Expenses to be collected from each Parcel. Administrative Expenses shall be allocated to each Parcel pro rata based upon the amount the Annual Installment on a Parcel bears to the total amount of Annual Installments in the PID as a whole that are payable at the time of such allocation. Each Annual Installment shall be reduced by any credits applied under applicable documents including the Service and Assessment Plan and applicable Trust Indenture, such as capitalized interest and interest earnings on any account balances and by any other funds available to the PID.

### *Annual Budget for the Repayment of Indebtedness*

Debt service will be paid on the Phases #2-3 Major Improvement Bonds from the collection of the Annual Installments. In addition, Administrative Expenses are to be collected with the Annual Installments to pay expenses related to the collection of the Annual Installments. The additional interest collected with the Annual Installments will be used to pay the prepayment and delinquency reserve amounts as described in the Service and Assessment Plan and applicable Trust Indenture.

### *Phases #2-3 Major Improvement Annual Installments to be Collected for 2022-23*

The budget for Phases #2-3 of the PID will be paid from the collection of Annual Installments collected for 2022-23 as shown by Table II-E-1 on the following page.

**Table II-E-1**  
**Budget for the Phases #2-3 Major Improvement Annual Installments**  
**to be Collected for 2022-23**

	<b>Phases #2-3 Major Improvement Bonds</b>
Interest payment on March 1, 2023	\$91,175
Interest payment on September 1, 2023	\$91,175
Principal payment on September 1, 2023	\$65,000
<i>Subtotal debt service on bonds</i>	<i>\$247,350</i>
Administrative expenses	\$36,400
Excess interest for prepayment and delinquency reserves	\$17,300
<i>Subtotal Expenses</i>	<i>\$301,050</i>
Available reserve fund income	\$0
Available capitalized interest account	\$0
Available Administrative Expense account	\$0
<i>Subtotal funds available</i>	<i>\$0</i>
<b>Annual Installments</b>	<b>\$301,050</b>

*Debt Service Payments*

Annual Installments to be collected for principal and interest include interest due on March 1, 2023 in the amount of \$91,175 and on September 1, 2023 in the amount of \$91,175, which equal interest on the outstanding Phases #2-3 Major Improvement Assessments balance of \$3,460,000 for six months each and an effective interest rate of 5.27 percent. Phases #2-3 Bond Annual Installments to be collected include a principal amount of \$65,000 due on September 1, 2023. As a result, total Phases #2-3 Major Improvement Annual Installments to be collected for principal and interest in 2022-23 is estimated to be equal to \$247,350.

*Administrative Expenses*

Administrative expenses include the City, Trustee, Administrator, auditor, dissemination agent and contingency fees. As shown on Table II-E-2 on the following page, the total Phases #2-3 Major Improvement administrative expenses to be collected for 2022-23 are estimated to be \$36,400.

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**Table II-E-2**  
**Phases #2-3 Major Improvement Administrative Budget Breakdown**

Description	2022-23 Estimated Budget (9/1/22-8/31/23)
City	\$5,000
PID Administrator	\$24,000
Trustee	\$2,750
Auditor	\$1,000
Dissemination Agent	\$1,000
Contingency	\$2,650
<b>Total</b>	<b>\$36,400</b>

*Available TIRZ Credit*

According to the City, there have not been any TIRZ increments collected in 2021. As a result, there are no funds to be used as TIRZ Credit in 2022-23 for the respective Parcels within the Phases #2-3 Major Improvement Area.

*Excess Interest for Prepayment and Delinquency Reserve*

Annual Installments to be collected for excess interest for prepayment and delinquency reserves in the amount of \$17,300, which equals 0.5 percent interest on the outstanding collective Phases #2-3 Major Improvement Bond Assessments balance of \$3,460,000.

*Available Capitalized Interest Account*

As of June 30, 2022, and in accordance with Section 6.4(c) of the Trust Indenture, all Capitalized Interest funds have been fully expended. As a result, there is no credit to reduce the Phases #2-3 2022-23 Annual Installment.

*Available Administrative Expense Account*

As of June 30, 2022, the available balance for administrative expenses was \$38,870. \$38,870 is anticipated to be used for the payment of current year administrative expenses through January 31, 2023. As a result, there are no funds available in the Administrative Expense Fund to reduce the Phases #2-3 Major Improvement 2022-23 Annual Installment.

**F. ANNUAL INSTALLMENTS PER UNIT – PHASE S#2-3 MAJOR IMPROVEMENT**

According to the Service and Assessment Plan, the Annual Installments shall be collected in an amount sufficient to pay (i) principal and interest on the Phases #2-3 Major Improvement Bonds, (ii) to fund the prepayment reserve and delinquency reserve, and (iii) to cover Administrative

Expenses of the Phases #2-3 Major Improvement Area. The Annual Installment for each Parcel shall be calculated by taking into consideration any available capitalized interest.

According to the Service and Assessment Plan, 546 units are estimated to be built within the Phases #2-3 of the PID. Accordingly, the principal and interest portion of Annual Installment to be collected from each unit within Phases #2-3 will be \$484.71 (i.e.  $(\$247,350 + \$17,300) \div 546 = \$484.71$ ) and the Administrative Expenses to be collected from each acre will be \$66.67 (i.e.  $\$36,400 \div 546 = \$66.67$ ). As a result, the total Annual Installment to be collected from each unit within Phases #2-3 will be \$551.37 (i.e.  $\$484.71 + \$66.67 = \$551.37$ ). The Annual Installment to be collected from each Parcel within Phases #2-3 is calculated by multiplying the Annual Installment for each unit of \$551.37 by the total estimated number of units for each Parcel in Phases #2-3 , less the applicable TIRZ Credit, if any.

The Annual Installment due to be collected from each Land Use Class in Phases #2-3 for 2022-23 is shown in Table II-F-1 below.

**Table II-F-1**  
**Phases #2-3 Major Improvement Annual Installment Per Unit**

<b>Land Use Class</b>	<b>Annual Installment Per Unit</b>
50 ft	\$551.37

The list of Parcels within Phases #2-3 of the PID, the estimated number of units to be developed on the current residential Parcels, the total Assessment, the Annual Assessment, the Capitalized Interest Credit, the Prepayment and Delinquency Reserve, the Administrative Expenses and the Annual Installment to be collected for 2022-23 are shown in the Assessment Roll Summary attached hereto as Appendix D.

## **G. BOND REDEMPTION RELATED UPDATES**

### **Phase #1 Bonds**

The Phase #1 Bonds were issued in 2021. Pursuant to Section 4.3 of the Phase #1 Trust Indenture, the City reserves the right and option to redeem the Phase #1 Bonds before their scheduled maturity dates, in whole or in part, on any interest payment date on or after **September 1, 2031**, such redemption date or dates to be fixed by the City, at the redemption prices and dates shown in the Phase #1 Trust Indenture.

The Administrator has conducted a preliminary evaluation of the current refunding market conditions, recent PID bond refunding transactions, and other relevant factors. Based on this preliminary evaluation, the Administrator believes a refunding of the Phase #1 Bonds does not appear viable at this time. The Administrator will continue to monitor the refunding market conditions, applicable PID bond refunding transactions, and other relevant factors to determine if refunding becomes viable in the future and will inform the City accordingly.

### Phases #2-3 Major Improvement Bonds

The Phases #2-3 Major Improvement Bonds were issued in 2021. Pursuant to Section 4.3 of the Phases #2-3 Major Improvement Trust Indenture, the City reserves the right and option to redeem the Phases #2-3 Major Improvement Bonds before their scheduled maturity dates, in whole or in part, on any interest payment date on or after **September 1, 2031**, such redemption date or dates to be fixed by the City, at the redemption prices and dates shown in the Phases #2-3 Major Improvement Trust Indenture.

The Administrator has conducted a preliminary evaluation of the current refunding market conditions, recent PID bond refunding transactions, and other relevant factors. Based on this preliminary evaluation, the Administrator believes a refunding of the Phases #2-3 Major Improvement Bonds does not appear viable at this time. The Administrator will continue to monitor the refunding market conditions, applicable PID bond refunding transactions, and other relevant factors to determine if refunding becomes viable in the future and will inform the City accordingly.

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### ***III. UPDATE OF THE ASSESSMENT PLAN***

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The Service and Assessment Plan adopted by the City Council provided that the Authorized Improvement costs shall be allocated to the Assessed Property equally on the basis of the number of residential dwelling units anticipated to be built on each Parcel once such property is fully developed, and that such method of allocation will result in the imposition of equal shares of the Authorized Improvement costs to Parcels similarly benefited.

#### ***Assessment Methodology***

This method of assessing property has not been changed and assessed property will continue to be assessed as provided for in the Service and Assessment Plan.

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## ***IV. UPDATE OF THE ASSESSMENT ROLL***

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Pursuant to the original Service and Assessment Plan, the Assessment Rolls shall be updated each year to reflect:

- (i) the identification of each Parcel (ii) the Assessment for each Parcel of Assessed Property, including any adjustments authorized by this Service and Assessment Plan or in the PID Act;
- (iii) the Annual Installment for the Assessed Property for the year (if the Assessment is payable in installments); and (iv) payments of the Assessment, if any, as provided by Section VI.H of this Service and Assessment Plan.

The updated Assessment Rolls are shown in Appendix C and D of this report. Each Parcel in the PID is identified, along with the Assessment on each Parcel and the Annual Installment to be collected from each Parcel. Assessments are to be reallocated for the subdivision of any Parcels.

### **A. PARCEL UPDATES**

According to the Service and Assessment Plan, upon the subdivision of any Parcel, the Administrator shall reallocate the Assessment for the Parcel prior to the subdivision among the new subdivided Parcels according to the following formula:

$$A = B \times (C \div D)$$

Where the terms have the following meanings:

A = the Assessment for each new subdivided Parcel.

B = the Assessment for the Parcel prior to subdivision.

C = the estimated number of units to be built on each newly subdivided Parcel

D = the sum of the estimated number of units to be built on all of the new subdivided Parcels

The calculation of the estimated number of units to be built on a Parcel shall be performed by the Administrator and confirmed by the City Council based on the information available regarding the use of the Parcel. The estimate as confirmed shall be conclusive. The number of units to be built on a Parcel may be estimated by net land area and reasonable density ratios.

The developer has confirmed there have been no parcel subdivisions in the PID applicable for the Annual Installments to be collected in 2022-23.

## **B. PREPAYMENT OF ASSESSMENTS**

There have been no Assessment prepayments as of July 15, 2022.

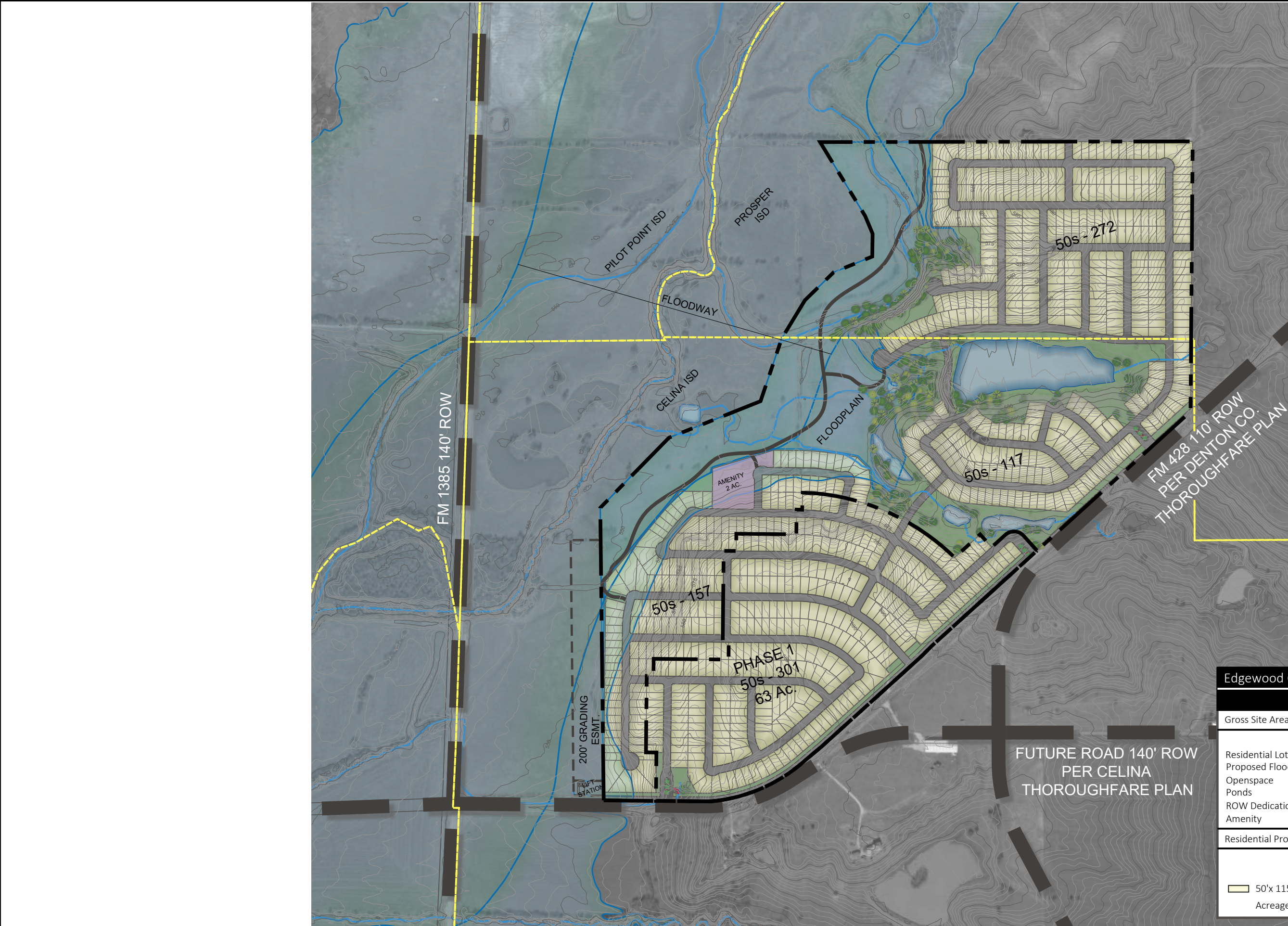
The complete Assessment Rolls are available for review at the City Hall, located at 142 N. Ohio, Celina, Texas 75009.


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**APPENDIX A**  
**MAP OF EDGEWOOD CREEK PID**



S:\2019\019013-00 Edgewood Creek\CAD\EXHIBITS\2019013001.P19 Edgewood Creek Concept Plan 08032020.dwg Aug 17 2020 - 4:25 pm charrock



Edgewood Creek Concept Plan 19			
DATA TABLE			
Gross Site Area:		247 +/-	
	Acres	Gross %	
Residential Lots	165	67%	
Proposed Floodplain	45	18%	
Openspace	24	10%	
Ponds	9	3%	
ROW Dedication	2	1%	
Amenity	2	1%	
Residential Product Type:			
	PHASE 1	FUTURE PHASE	TOTAL
 50'x 115' Lot	301	546	847
Acreage	63	184	247



**APPENDIX B**  
**2022 ASSESSED VALUES BY PHASE**

**Appendix B**  
**Edgewood Creek Public Improvement District**  
**2022 Assessed Value**

Phase	Parcels	2022 Assessed Value <sup>1</sup>
Phase #1	3	\$1,811,604
Phases #2-3	4	\$741,988
<b>Total</b>	<b>7</b>	<b>\$2,553,592</b>

<sup>1</sup>Parcel assessed values are in accordance with Denton Central Appraisal District online records as of June 22, 2021 and are allocated based on projected number of finished lots.

**APPENDIX C**  
**PHASE #1 ASSESSMENT ROLL SUMMARY – 2022-23**



**APPENDIX C**  
**Phase #1 Assessment Roll Summary**

<b>Parcel ID</b>	<b>Estimated Units</b>	<b>Total Assessments</b>	<b>Principal</b>	<b>Interest</b>	<b>Prepayment &amp; Delinquency Reserve</b>	<b>Administrative Expenses</b>	<b>Annual Installment</b>
960071	139	\$4,104,775	\$78,504.98	\$180,205.04	\$10,309.55	\$16,809.30	\$285,828.87
52621	140	\$4,134,305	\$79,069.77	\$181,501.48	\$10,383.72	\$16,930.23	\$287,885.20
52672	22	\$649,677	\$12,425.25	\$28,521.66	\$1,631.73	\$2,660.47	\$45,239.10
<b>Total</b>	<b>301</b>	<b>\$8,888,757</b>	<b>\$170,000</b>	<b>\$390,228</b>	<b>\$22,325</b>	<b>\$36,400</b>	<b>\$618,953</b>

**APPENDIX D**  
**PHASES #2-3 MAJOR IMROVEMENT ASSESSMENT ROLL SUMMARY – 2022-23**

**APPENDIX D**  
**Phases #2-3 Major Improvement Assessment Roll Summary**

<b>Parcel ID</b>	<b>Estimated Units</b>	<b>Total Assessments</b>	<b>Principal</b>	<b>Interest</b>	<b>Prepayment &amp; Delinquency Reserve</b>	<b>Administrative Expenses</b>	<b>Annual Installment</b>
960071	105	\$665,385	\$12,500	\$35,067	\$3,327	\$7,000	\$57,894
960118	33	\$209,121	\$3,929	\$11,021	\$1,046	\$2,200	\$18,195
52672	139	\$880,842	\$16,548	\$46,422	\$4,404	\$9,267	\$76,641
960214	269	\$1,704,652	\$32,024	\$89,839	\$8,523	\$17,933	\$148,320
<b>Total</b>	<b>546</b>	<b>\$3,460,000</b>	<b>\$65,000</b>	<b>\$182,350</b>	<b>\$17,300</b>	<b>\$36,400</b>	<b>\$301,050</b>