

ORDINANCE NO. 2004-38

AN ORDINANCE APPROVING THE FIRST AMENDED AND
RESTATED SERVICE AND ASSESSMENT PLAN FOR CITY OF
LEAGUE CITY PARK ON CLEAR CREEK PUBLIC IMPROVEMENT
DISTRICT

WHEREAS, the City of League City (the "City") is authorized pursuant to Tx Local Govt Code, ch. 372, as amended (Chapter 372) to create public improvement districts for the purposes described therein; and

WHEREAS, the City has received a petition (the "Petition") requesting the creation of the City of League City Park on Clear Creek Public Improvement District (the "PID"), held a public hearing, and created the PID in accordance with the applicable provisions of Chapter 372; and

WHEREAS, the City passed and adopted Resolution No. 98-38 on August 25, 1998 establishing the Park on Clear Creek Public Improvement District; and

WHEREAS, the City passed and adopted Ordinance No. 98-40 on November 10, 1998 approving a Service and Assessment Plan for the Park on Clear Creek Public Improvement District; and

WHEREAS, the city council wishes to adopt a First Amended and Restated Service and Assessment Plan with respect to the PID.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEAGUE CITY, TEXAS, that:

Section 1. The facts recited in the preamble hereto are found to be true and correct.

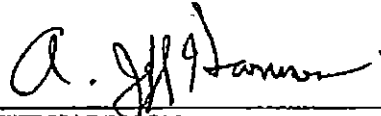
Section 2. The Service and Assessment Plan attached to this Ordinance as Exhibit A is hereby approved and adopted on behalf of the PID, and the mayor, city secretary and any other appropriate officials of the City are hereby authorized to take all necessary actions on behalf of the City to implement the terms thereof in accordance therewith.

Section 3. It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter thereof has been discussed, considered and formally acted upon. City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

PASSED first reading the 26th day of October, 2004.

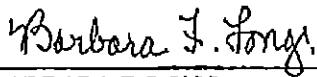
PASSED second reading the 9th day of November, 2004.

PASSED AND ADOPTED the 9th day of November, 2004.



A JEFF HARRISON,
Mayor

ATTEST:



BARBARA F. LONG,
Acting City Secretary

EXHIBIT A

First Amended and Restated Service and Assessment Plan Park on Clear Creek Public Improvement District City of League City, Galveston County, Texas

1. Introduction

This Service and Assessment Plan (the "Plan") is prepared and adopted in conformance with the Public Improvement District Assessment Act, codified as Chapter 372, Texas Local Government Code (the "Act"), and pursuant to Resolution No. 98-38 creating the League City Park on Clear Creek Public Improvement District (the "PID" or the "District"), League City (the "City"), Galveston County, Texas. The creation of the PID was initiated by a petition (the "Creation Petition") submitted by property owners within the PID boundaries in compliance with the requirements of Section 372.005 of the Act.

2. Boundaries

The boundaries of the PID are as indicated in the metes and bounds description attached as Exhibit A.

3. Administration of the District

Administration of the District is the responsibility of the Board of Directors of the Park on Clear Creek Development Authority (the "Board"), as created by the City Council of the City of League City, Texas.

4. Public Improvements

The Public Improvements to be financed and constructed hereby (the "Public Improvements") serve to promote the construction of single-family units ("SFU"). The Public Improvements included in the Plan will confer a special benefit to properties within the Public Improvement District and will consist of the construction of site work, water lines, sanitary sewer lines, storm sewers, landscaping, contingency provisions, engineering services, financing costs, and administrative and legal services for the PID. The Public Improvements will be pre-funded by the developer of the residential subdivision within the PID.

A. Park on Clear Creek

Park on Clear Creek Subdivision and is being developed by Park on Clear Creek Development Company and will contain 171 single-family units within the Public Improvement

District. The Public Improvements authorized under this Plan for Park on Clear Creek, and the estimated costs thereof, are described below:

**PARK ON CLEAR CREEK
PID COSTS**

PUBLIC IMPROVEMENT	ESTIMATED COST
Water, Sanitary Sewer, Storm Sewer Lines	\$1,068,483.00
Parks & Detention Land Cost and Earthwork	\$1,210,255.00
Wetlands Mitigation	\$165,992.00
Contingency	\$228,292.00
Engineering	
	\$267,990.00
Capital Recovery Charge	\$315,500.00
Public Landscaping	\$544,400.00
Entry, Brick Wall	\$340,000.00
Creation Cost	\$20,000.00
Land Plan	\$3,500.00
Professional Reports	\$28,000.00
Construction Interest	\$498,000.00
Financing Cost	\$5,371,755.00
Administration & Legal Expenses	\$352,000.00
TOTAL	\$10,414,167.00

Construction of Public Improvements

Design and construction of all Public Improvements will be performed to City specifications, and all construction shall be bid as required by the Authority. The budgets for each section of Public Improvements will be submitted for approval to the Board, as contracts for the proposed Public Improvements are awarded. The Plan will be reviewed annually in accordance with the provisions of Chapter 372 of the Local Government Code and will include a review of the budgets, expenditures and revenues of the District. Additionally, the Plan will be reviewed for the purpose of establishing the installments for assessments for improvements based upon actual construction bids for Public Improvements made and the financial needs of the District.

6. Conveyance of Improvements to the City

Upon completion of the improvements, and final inspection and acceptance of the Public Improvements by the City, the Developers will convey all rights to the improvements to the City or homeowner's association as applicable, subject to the Developer's rights of reimbursement described in a Public Improvement District Development and Financing Agreement executed among the Developers, the Board and the City.

7. Authorized Improvements

The area within the PID that is covered by this Service and Assessment Plan will be developed as single family residential. This Plan designates the Public Improvements required for the growth and development of the land within the PID. The goal of this Plan is to provide sufficient certainty for the owners of land within the PID to proceed with the financing and construction of the necessary Public Improvements, while allowing for sufficient flexibility to meet the needs of the PID over the life of the development of residential properties within the PID.

The developer contemplates several phases of construction, portions of which may be constructed concurrently. The construction of the Public Improvements authorized herein began in calendar year 2003. The proposed phasing is estimated and may vary. The cost estimates provided above are expressed in calendar year 2003 dollars and shall be determined in accordance with the then current value of such amount pursuant to the consumer price index for urban areas applicable to League City. The actual costs of the Public Improvements will be determined subject to final costs pursuant to the guidelines of the Authority.

9. Advance Financing by Developer

The Developers will advance the funds for construction of the Public Improvements for the account of the City and will be entitled to repayment pursuant to Public Improvement District Development and Financing Agreements (the "Development Agreements"), executed among the Board, the City and the Developers. Although the Public Improvements are required for the growth and development of the PID, it is not necessary for them to be built simultaneously. It is anticipated that one or more series of PID bonds will be issued to acquire the Public Improvements, provided that assessments may be used to pay costs of Public Improvements directly if not such assessment revenues are anticipated to be required for the payment of PID bonds. Any such bonds issued will be payable solely from the PID assessments levied and collected, which shall be sufficient to pay principal and interest on the applicable series of bonds. Such bonds will not be a general obligation of the City in any way and bondholders will not have a lien on any revenues of the City other than the PID assessments.

10. Apportionment of Costs

Payment of assessments, if any, on property owned by exempt jurisdictions other than the City shall be established by contract.

11. Levy of Assessments

The plan of assessment contemplates that the assessment will be levied in phases, as Public Improvements are constructed within each Phase. The assessment year shall be concurrent with the City's tax year. The assessments against property may be paid in annual installments based on an amortization of not more than twenty-five (25) years plus the period between the effective date of the assessment ordinance and the date of the first installment. For planning purposes the assumed interest rate is 7.00%. The final interest rate on financed assessments will be calculated

in accordance with the provisions of the Development Agreement, subject to the maximum rate established by Chapter 372 of the Local Government Code.

The assessments shall be based upon the actual cost of the Public Improvements plus those related costs as deemed reimbursable by the City. The assessment will be allocated on a per lot basis or per square foot basis, as determined by City Council to best reflect the apportionment of benefit. The cost of the Public Improvements will consist of the costs to construct storm sewers, water lines, sanitary sewers, and public landscaping for each development phase, related professional design and engineering fees, administrative and legal services and interest payable to the Developers pursuant to the Public Improvement District Development and Financing Agreements.

A. Park on Clear Creek

The Plan estimates the following approximate assessments for residential properties in Park on Clear Creek, with the actual assessment to be determined at the time of the assessment levy by reference to the area of the benefited property and the cost of the Public Improvements. The total assessment can be paid upfront at the time the property is purchased or at any time thereafter. The assessment can also be paid in annual installments over twenty-five (25) years.

Total Assessment	\$2.78 per square foot of residential property
Annual (Financed) Assessment Rate	\$0.25 per square foot of residential property

B. Levy and collection.

Notice of the levy of each assessment will be given as provided in Chapter 372 of the Local Government Code. The assessment levy statement will be sent to each property owner in the District, and the installment of the assessment levy will be due and payable at the same time property taxes are due and payable to the City. Financed assessments shall bear interest at seven percent (7.0%) per annum if no bonds have been issued for the applicable Public Improvements, or one half of one percent (½%) higher than the actual interest rate on any PID bonds or notes used to finance the Public Improvements. However, in no event will the interest rate exceed eight percent (8%) percent.

The first installment of an assessment against a particular property shall be due with respect to the calendar year following the earlier of: (i) the date such property has been improved with a habitable structure as evidenced by the issuance of a certificate of occupancy or such other indication of substantial completion as may be established by the District, or (ii) the third anniversary of the date such assessment was levied. The City will invoice each owner of property for the installment payment in conjunction with the City's annual property tax bill, and the installments shall be due and payable, and incur penalty and interest for unpaid installments in the same manner as provided for the City's property taxes. Thereafter, subsequent installments shall be due in the same manner in each succeeding calendar year until the assessment together with

interest as provided herein has been paid in full. The owner of assessed property may pay at any time the entire assessment then due on each property, with interest accrued on the assessment through the date of payment. Failure of an owner to receive an invoice shall not relieve the owner of the responsibility of for the assessment.

A lien will be established against the property assessed effective as of the date of the ordinance levying the assessment, privileged above all other liens, including prior mortgage liens, to the extent allowed by Section 372.018(b) of the Local Government Code. Assessment installments shall be considered delinquent on the same date as the City's property taxes. Delinquent assessments or installments shall incur the costs of collection. If practicable, the assessment shall be included on the City property tax statement. Notwithstanding the above, the assessment lien shall be perfected immediately as to the entire assessment, but may be executed only with respect to the amounts then due or past due for current or prior installments or final payment. Assessments are personal obligations of the person owning the property assessed in the year an installment payment becomes due, and only to the extent of such installment(s).

The owner of assessed property may pay at any time the entire assessment then due on each property, with interest accrued on the assessment through the date of payment.

EXHIBIT "A"

PARK ON CLEAR CREEK PUBLIC IMPROVEMENT DISTRICT
LEAGUE CITY, GALVESTON COUNTY, TEXAS

METES AND BOUNDS DESCRIPTION

BEGINNING at a point at the southwest corner of the Dem Shadows Subdivision (Book 15, Page 69, Galveston County Map Records)

Thence west along the south property line a distance of 1,846 feet along the north right-of-way of FM 518

Thence north along the west property line a distance of 1,739 feet

Thence east along the north line along Clear Creek, a distance of 2,300 feet

Thence south along the east property line a distance of 1,210 feet back to the POINT OF BEGINNING.