

**Estancia Hill Country Public Improvement District
Annual Service and Assessment Plan Update
For January 1, 2017 – December 31, 2017**

Introduction

A Public Improvement District (PID) is a defined geographical area established to provide specific types of improvements, services, or maintenance within the defined area that are financed by special assessments levied against all property owners within the defined district for the life of the PID. PIDs may be created pursuant to the laws of the State of Texas (Texas Local Government Code Chapter 372) by a city or county.

The Estancia Hill Country PID is a nearly 600-acre development project located in southern Travis County west of IH 35 South, about eight tenths of a mile south of the intersection of IH 35 South and Onion Creek Parkway. This PID area is currently in the City's limited purpose jurisdiction and under development. The developer's plans for this site include a master planned, mixed-use project with residential, retail, and commercial land uses.

On June 6, 2013, the Austin City Council approved Resolution 2013606-054 authorizing creation of the Estancia Hill Country PID, which provides a financing mechanism for the construction, ownership, and maintenance of certain public improvements to support the planned community. On June 20, 2013, the Austin City Council approved an ordinance authorizing the issuance and sale of \$12,590,000 City of Austin, Texas Special Assessment Bonds, Series 2013 (Estancia Hill Country Public Improvement District). The bonds have a 15 year term, and proceeds from the bonds funded construction, acquisition or purchase of certain public improvements, capitalized interest, bond reserve funds, and costs of bond issuance.

While PID bonds are outstanding and payable, the PID's budget will be included in the City's Operating Budget and the Austin City Council will take certain annual actions regarding the PID including:

Austin City Council Action	Council Meeting
Approve an ordinance approving proposed assessment roll and setting PID's assessment rate.	Meeting #1
Approve a resolution adopting PID's annual service and assessment plan update	Meeting #1
Set a public hearing on PID's proposed assessment roll.	Meeting #1
Conduct a public hearing on PID's proposed assessment roll.	Meeting #2
Approve an ordinance authorizing final assessment roll and levying special assessments.	Meeting #2 or 3

Factors Affecting Revenue

Revenue is generated through the apportionment, levying, and collection of special assessments which are pledged for the repayment of PID bonds issued for the public improvements.

As of 7/30/2016, 66 single family units have been completed and sold to individual homeowners; 22 single family units are under construction and have been sold; and 24 additional single family units are under construction. (per MSRB disclosure)

Assessment Methodology (Page 19 of SAP)

Actual costs associated with the Senior Master PID Bonds shall be allocated to the Improvement Area #1 assessed property by spreading the entire assessment across all parcels within the PID based on the ratio of the estimated buildout value of each parcel to the total buildout value for all parcels within Improvement Area #1. Upon subsequent

divisions of any parcel, the assessment applicable to that parcel is then apportioned pro rata based on the estimated buildout value of each newly created parcel. For residential lots, assessments will be apportioned proportionately among each lot type based on the estimated average buildout value for the lot type to the total buildout value of residential lots in the platted parcel.

Assessment Update

This document, along with the 2016 Addendum to the Estancia Hill Country Public Improvement District Service and Assessment Plan (attached as support to Agenda item 62793), provides an update to the Service and Assessment Plan (SAP) approved by Council on June 20, 2013 (Agenda Item # 052). The 2017 assessment (\$1,745,255) is due on January 31, 2017 and will fund bond principal and interest payments (\$1,341,925), developer reimbursements (\$376,800), and estimated administrative costs (\$26,530).