

ELECTION OUTCOMES

Bond & Maintenance Tax Election

With a FOR Vote for both:

1. Extra partner to fund repairs
2. Class A Multi-Family Complex¹
3. Security Fence¹
4. Dresher Street access limited¹
5. New Water Well Site
6. \$325,000 Contribution (received)
7. \$119,000 Annual Tax Income²
8. \$225,000 Annual Water Income³
9. \$36,000 Annual Security Income⁴
10. Provides financing tool⁵
11. Reduces future costs to residents⁵

With an AGAINST Vote for both:

- No control of development
- Lose cost sharing partner
- Self-fund needed repairs
- Cost to residents increase
- Return of \$325,000⁶

1. Regulated by agreed-upon Deed Restrictions on new development.
2. Projected annual property tax income to District from new development.
3. Projected annual water and sewer income from monthly bills on new development.
4. Projected annual security income from monthly bills on new development.
5. Maintenance Tax is a tool which can be used by the District to transfer costs from the residents to the commercial customers.
6. Developer's \$325,000 refunded upon failed election minus half of election costs.

IF THE BOND ELECTION PASSES:

HCWCID #99 GETS:

Class A Multi-Family units will be built in the District, governed by deed restrictions enforceable by the District. The complex will be separated from the neighborhood by an 8-foot cedar security fence to be installed on western boundary of the complex with North Hill Estates Residents (in the deed restrictions).

East end of Drescher street will remain closed, but may be used as an emergency exit.

A site for an additional water well and facilities will be purchased from DreamLabs according to TCEQ rules. This is a savings of approximately \$200-300,000 since two homesites are needed for the new well and its facilities. Also, a Capital Contribution deposit of \$325,000 (already received) to be used for immediate repairs or for future water system improvements.

New value of about \$35,900,000 will be added to the District. This is projected to generate \$118,470 of annual revenue at a tax rate of \$0.33/\$100). Future development of commercial, medical/retail buildings is adjacent to the multi-family units, which would add even more revenue to the District.

Additional revenue from water and sewer services will be added to the operations budget, projected at approximately \$225,000 per year for reserved capacity (Directors must formulate and adopt rates for the DreamLabs property into the Districts Rate Order.)

Additional funding for Law Enforcement services estimated at approximately \$36,000 per year.

DREAMLABS GETS:

Water and sewer services from HCWCID 99 for their Multi-Family unit development.

Reimbursement of deposit and annexation costs after the development is 100% complete, plus reimbursement for sewer line and lift station after transferring ownership to the District, after acceptance.

IF THE BOND ELECTION FAILS:

WCID #99 GETS:

All of the above goes away, DreamLabs will build what they want, and the District still needs to repair its system without partner funding.

DREAMLABS GETS:

No annexation, builds private utility system, no controls on quality of construction or security for neighborhood. Reimbursement or return of the capital contribution deposit less annexation expenses and less ½ of incurred election costs for November election only.