



Building a Better Neighborhood

Protecting Your Investment and Your Neighborhood's Future



When you invest in a home in Tribute at Mills Branch, you become a member of a powerful organization – the Tribute at Mills Branch Homeowners Association (HOA). To fund services within Tribute at Mills Branch and to preserve the integrity of your investment and the quality of your neighborhood, the Community Founder has worked with the City of Lancaster to create a Public Improvement District (PID) for the Tribute at Mills Branch neighborhood.

Public Improvement Districts provide property owners greater power in maintaining and improving their neighborhood, and they have been successfully used by cities throughout Texas since 1986. Some of the Metroplex area's premier neighborhoods are located within Public Improvement Districts, including the Uptown Dallas District, Hillwood's Park Glen subdivision in Fort Worth, Grand Prairie's Westchester community and Cedar Hill's High Pointe neighborhood. Future new neighborhoods within the award-winning Mills Branch District are expected to establish their own Public Improvement Districts.

How do I benefit from the Tribute at Mills Branch PID?

Protecting Your Investment. The Tribute at Mills Branch PID enables property owners to receive services and small public improvements that go beyond the normal services that the City of Lancaster provides other neighborhoods. The Tribute at Mills Branch PID protects property values with long-term funding and management provisions for irrigation, mowing, seasonal color planting, and tree trimming in parkways and the extensive network of common areas and parks.

Certainty of Payment. As a legal entity of the City of Lancaster, the Tribute at Mills Branch PID is funded by a benefit assessment that is similar to a supplemental property tax. Rather than relying on a management company to bill and collect monthly HOA dues, you have the peace of mind of knowing that other property owners are contributing their fair share of the annual funds needed to preserve the neighborhood and amenities.

You May Pay Less as Your Neighborhood Matures. Tribute at Mills Branch will grow in value. As more homes are built in Tribute at Mills Branch and with more homeowners contributing to the Tribute at Mills Branch PID, homeowners may benefit from lower assessments. This is in contrast to typical HOA dues, which can increase rather than decrease, depending upon the services the overall association wishes to absorb.



How does the Tribute at Mills Branch PID operate?

More Dependable than a Conventional HOA.

The Tribute at Mills Branch PID functions much like an HOA except that it has legal recognition by the City of Lancaster and certainty of funding. The Tribute at Mills Branch HOA will administer the Tribute at Mills Branch PID with decisions, budgets, and events voted on by the property owners, including contracting with service providers to facilitate and meet the association's objectives. Rather than paying dues to the Tribute at Mills Branch HOA, each property owner pays an annual benefit assessment for the Tribute at Mills Branch PID along with the annual property taxes. Dallas County sends the collected funds to the City of Lancaster. In turn, the City will then annually submit 100% of the funds to the Tribute at Mills Branch HOA to facilitate the service plan. Funds cannot be merged with any other City funds, as they are reserved solely for the Tribute at Mills Branch community. The Tribute at Mills Branch PID also pays administrative costs that are included in the Tribute at Mills Branch HOA's annual budget.

Created by Experts. In establishing the Tribute at Mills Branch PID the Community Founder, guided by expert property managers and financial advisers, prepared the neighborhood's initial five-year service plan and budget. The service plan, including projected benefit assessments, was submitted as part of the Tribute at Mills Branch PID's legal documentation, and was approved by the Lancaster City Council. This is just one more example of how the Community Founder and the City of Lancaster are working together to raise the bar to create sustainable neighborhoods.

The Annual Community Budget. Each August, the Tribute at Mills Branch HOA Board of Directors will present a five-year service plan and budget to the Lancaster City Council for approval. The Tribute at Mills Branch HOA is also responsible for recommending the annual assessment plan and assessment rate. The Lancaster City Council must annually approve both the service plan and the rate, so that the assessments can be included as a line item on annual tax statements. The Tribute at Mills Branch homeowners still maintain the right to make special one-time assessments for certain capital improvements if voted on by the majority of property owners. In

addition to reserving the right to make one-time assessments, the Tribute at Mills Branch HOA may want to reserve the right to make annual assessments if the Tribute at Mills Branch PID should be terminated.

How is the Tribute at Mills Branch PID funded?

Ease of Payment. Rather than relying on HOA dues, the Tribute at Mills Branch PID is funded through annual mandatory benefit assessments as part of your home's tax statement. The assessment is clearly identified as Tribute at Mills Branch Public Improvement

District on your tax bill. This can be a convenient part of your total house payment if your mortgage company escrows for taxes. Typically your mortgage company collects 1/12 of your annual insurance and real estate taxes on a monthly basis. Your Tribute at Mills Branch PID assessment can be handled in the same manner.

The Formula is Simple. For a lot that contained a completed home when the tax appraisal was set as of the first day of the year, a home and lot valued at \$160,000 will pay \$0.30 per \$100 valuation for the initial years following completion. Therefore, a property valued at \$160,000 will be assessed \$480 annually for the initial years. The Tribute at Mills Branch PID service plan initially submitted and approved by the Lancaster City Council projects that the rate will actually decrease in subsequent years. For example, in the fourth year of Tribute at Mills Branch's continued build-out, the estimated assessment for the same property decreases to \$0.19 per \$100 valuation. Based upon the assumption that the property has appreciated 3% annually, the property owner's annual assessment would only be \$342.

Every Property Owner Pays Their Fair Share. The Community Founder and the homebuilders in Tribute at Mills Branch also pay into the Tribute at Mills Branch PID, as the home sites without completed homes are also assessed. In fact, these lots are assessed at a higher rate to help keep your property's assessment lower. If your home was not completed on January 1 of the calendar year in which you purchase the home, your first-year assessment may also reflect this higher rate. However, keep in mind that in this instance, your property is being assessed without the house value. The assessment will then be adjusted for the following and subsequent years based upon your property's full value.

