PUBLIC HOMEOWNER FORUM

Heritage Shores

Special Development District

Understanding Your Special Tax, the Bonds It Supports, and Prepayments

Town of Bridgeville, Delaware
Prepared by MuniCap, Inc., District Administrator

Presented 2026

OUR COMMITMENT TO YOU

Understanding Your Special Tax

*We want every homeowner to leave with a clear, honest understanding of what the Special Tax is, where the money goes, and how prepayments work. **Please ask questions**.*

The District & the Bonds

What the district is and how the bonds were issued over time

What the Money Built

Public improvements for the Heritage Shores District

Where Your Money Goes

The annual special tax payments pay for annual bond expenses

Why Rates Change

Temporary discounts and the scheduled 2% increases

How Prepayment Works

How a payoff is calculated and why it can stay relatively flat year to year

Where to Get Answers

Who to contact and where the documents live

BACKGROUND

What Is the Heritage Shores Special Development District?

The Delaware General Assembly gave the Town of Bridgeville the authority to create such districts. Heritage Shores was designated by Resolution on March 22, 2005, and Ordinance No. A05-7 (May 9, 2005) authorized up to $65,000,000 in bonds.

Its Purpose

To finance and construct the public infrastructure associated with the Heritage Shores development, including roads, water, sewer, and community facilities needed to make the community possible. The bonds are paid back through special tax revenue collections.

How & When the Bonds Were Issued

The District has issued three series of bonds, which are 30-year terms. Nearly all of the $65 million authorized has now been used. No additional new-money bonds can be issued without new legislation.

2005 $28.4M

Series 2005 Bonds

Series 2005A ($19.85M) and 2005B ($8.60M) issued to fund the initial public roads, storm, water and sewer improvements, and the public library.

2020 $12.3M

Series 2020 Bonds

Issued to refund the outstanding Series 2005A Bonds, fund the debt service reserve, and pay issuance costs (a refinancing, not new spending).

2024 $36.55M

Series 2024 Bonds

Issued to fund additional infrastructure and lot preparation for Phases 5 & 6, capitalized interest, the reserve fund, and issuance costs.

All authorized bonds have now been issued. Each issuance runs 30 years: the Series 2005 issuance (refunded by the 2020 Bonds) runs from FY 2005-2006 through FY 2035-2036, and the Series 2024 Bonds run through FY 2053-2054. Any future new-money bonds would require new legislative approval. A refunding (refinancing) is different and remains possible if market conditions allow.

What the Bond Proceeds Built

Bond proceeds paid for the public infrastructure that serves the community and a public library. These are real, permanent improvements dedicated to the Town.

Roads & Paving

Rough grading, roadway stone, paving, curb, gutter, sidewalks, signage & DelDOT entrance work

Water & Sewer

Water system, sewer, sewer connection fees and storm drain infrastructure

Site & Finishing

Civil engineering, sediment control, street lighting, landscaping & street trees

Public Library

A public library was financed with Series 2005 proceeds as a community facility

ON-PROPERTY LAND IMPROVEMENTS

Total project cost of the public improvements

$62.1M

Sewer & sewer connection	$15.2M
Water	$6.8M
Storm drain	$5.0M
Rough grading & civil engineering	$11.4M
Paving, curbs & roadway stone	$10.9M
Landscaping, lighting & signage	$3.5M

Approximate totals (costs incurred + projected) provided by the Developer as of Dec. 31, 2023.

WHERE YOUR MONEY GOES

This Year's Special Tax Requirement (FY 2026-27)

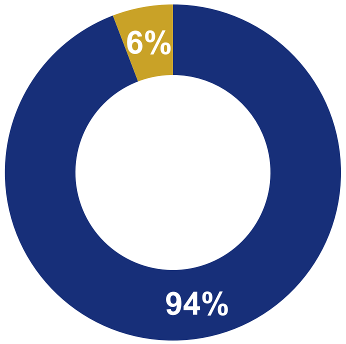
Each year the district has a Special Tax Requirement: the annual bond expenses it must cover. Here is what makes it up this year, and how it is collected.

WHAT THE DISTRICT MUST PAY THIS YEAR

Principal on the bonds	$688,000
Interest on the bonds	$2,300,715
Administrative & contingency	$134,688
Total district expenses	**$3,123,403**
Less: available credits	–$557,462
SPECIAL TAX REQUIREMENT	**$2,565,941**

HOW THE REQUIREMENT IS COLLECTED

This year's assigned rate is applied to every developed parcel — all single-family and townhome lots.



Developed parcels

All SFD + townhome lots

$2,416,663 ≈ 94%

Undeveloped property

Owned by developer & builders

$149,278 ≈ 6%

The big picture: Everyone's payments together fund the district's annual bond bill. It is not a balance being paid down on your own home. Your Special Tax is not billed on its own invoice; it appears as a line item on the Town of Bridgeville's property tax bill, which is usually mailed in July and due by September 30 each year.

Why the Rate Changes From Year to Year

*Each year has a scheduled "assigned" rate that rises **2%** annually. In some years, other district funds let us bill you less. This is a temporary discount, not a permanent cut.*

	Year	Assigned Rate	Actual Billed	Difference
SFD	2023-2024	$2,976.46	$2,976.46	0.00%
SFA	2023-2024	$2,031.75	$2,031.75	0.00%
SFD	2024-2025	$3,035.99	$2,249.29	-25.91%
SFA	2024-2025	$2,072.38	$1,531.96	-26.08%
SFD	2025-2026	$3,096.71	$2,828.22	-8.67%
SFA	2025-2026	$2,113.83	$1,930.56	-8.67%
SFD	2026-2027	$3,158.64	$3,158.64	0.00%
SFA	2026-2027	$2,156.11	$2,156.11	0.00%

How to read this year's special tax bill

The bill didn't really "spike." For the last two years extra funds let us bill below the scheduled amount. This year those funds weren't there, so the bill returned to the normal scheduled level.

Compared to last year's assigned rate, the increase was only 2%, exactly as scheduled. **Rates can be billed at or below the assigned schedule.**

DEVELOPER INCENTIVE

The Passwaters Credit

The Passwaters Credit is a developer/builder incentive offered on certain home buyers. It typically applies a set dollar amount toward that home's annual Special Tax payment each year, for up to 10 years.

It is funded by Brookfield, not by other homeowners, and it only reduces the bill for the specific parcels that were promised the credit in their purchase contracts.

Check Your Credit

You can confirm your annual tax rate and the credit applied each year using the MuniCap Parcel Search at lookup.municap.com (shown on the last slide).

HOW THE CREDIT WORKS

1. Passwaters pays the Trustee

Before the annual bills go out, Passwaters remits its credit payment to the Trustee for the applicable homes.

2. MuniCap confirms payment

We verify with the Trustee that the Passwaters payment was received for each qualifying parcel.

3. We apply the credit

MuniCap applies the credit amount against the Special Tax due on each qualifying parcel.

4. Already on your bill

By the time you receive your tax bill, the credit has already been applied and is reflected in the amount due.

How a Prepayment Is Calculated

*A **prepayment** (payoff) fully and permanently satisfies the Special Tax on a parcel. Here is how that amount is calculated. Note this is the method, not a quote for any specific home.*

+ Share of outstanding District bond principal
Your parcel's allocable portion of the district's outstanding bonds

− Less: credit for this year's annual payment
A partial credit for the annual special tax already paid this year

− Less: reserve fund credit
Your parcel's share of the debt service reserve is credited back

+ Administrative & processing costs
Costs of processing the prepayment and redeeming the bonds

In short: a payoff is your parcel's share of the bonds, adjusted for interest, a reserve credit and costs.

The Result

= Prepayment (Payoff) Amount

A one-time payment that permanently satisfies future Special Tax on the parcel.

Figures vary by parcel and are recalculated quarterly — ask us for a current quote for your home.

Your Payoff Isn't Tied to One Parcel's Payments

The payoff is based on the district's overall outstanding bond principal and not on a balance attached to individual properties.

What your prepayment does

Is used to redeem the District's bonds early. Includes principal only, whereas the annual payments include principal, interest and administrative costs.

What actually moves your payoff:

The district's overall outstanding bond principal.

When the district's principal goes down, payoffs go down. Until then, they can stay about the same.

The outstanding principal as of June 30, 2026, is $44,131,000.

A shared obligation

It's a share of district-wide bonds, not a personal loan on your home

Can stay level

It only falls when district principal falls

Recalculated quarterly

Updated each quarter to reflect the scheduled bond principal payments, and homeowner prepayments

GOOD TO KNOW

Prepayment & Special Tax Basics

Prepayment is optional

You may prepay the Special Tax in full at any time, but you are never required to. Prepaying permanently satisfies future Special Tax on that parcel.

Each parcel pays for 30 years max

The Special Tax stops on a parcel at the earlier of its 30th year taxed as developed property, or when the bonds are paid off (scheduled for 2053/2054).

One default doesn't raise your bill

If a neighbor fails to pay, it does not automatically increase your obligation. The Town uses its normal tax-collection procedures, and a reserve fund protects bondholders.

Neighbors can pay different amounts

Rates differ by home type (attached vs. detached) and by developer incentives offered over the years.

This is not your HOA

The Special Tax is completely separate from HOA dues. MuniCap administers the Special Tax and has no involvement with the HOA.

We can't give tax advice

We can provide an annual principal/interest breakdown on request, but please consult your CPA or tax advisor for any tax questions.

QUESTIONS & WHERE TO LEARN MORE

We're Here to Help

Thank you for your time. Please reach out any time. No question is too small.

District Administrator

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Look Up Your Home & Documents

MuniCap Parcel Search

lookup.municap.com

District Info and Documents

https://bridgeville.delaware.gov/heritage-shores/