
City Council Regular Meeting

DEPARTMENT: Development Services

FROM: Tony D. McIlwain, Development Services Director

MEETING: July 22, 2024

SUBJECT:

Consider approval of a resolution determining the costs of certain public park improvements to be financed by the Parks at Panchasarp Farms Public Improvement District JC-1; accepting a preliminary Service and Assessment Plan, including proposed assessment rolls; directing the filing of the proposed assessment rolls with the City Secretary to make available for public inspection; calling a public hearing on August 5, 2024, to consider an ordinance levying assessments on property within the district; directing city staff to publish and mail notice of said public hearing; and resolving other matters incident and related thereto. *(Staff Contact: Tony D. McIlwain, Development Services Director)*

SUMMARY:

A Public Improvement District (PID) is a defined geographical area established to provide specific types of public improvements or maintenance which are financed by assessing property owners within the area. PIDs are regulated by Chapter 372 of the Texas Local Government Code. The City currently has an approved contract with MuniCap, Inc. for PID Administrative Services.

The Parks at Panchasarp Farms is a residential development (and PID) located off of Lakewood Drive that includes 8 total phases. Council approved the creation of The Parks at Panchasarp Farms PID on February 4, 2019, which included all 8 phases of development. Phases 1 and 2 of the development have been completed, and Phase 3 of the development is currently under construction and nearing completion. In total, the development includes 659 single family lots, 250 multi-family units, a commercial site, a school site, and 25 acres of parks and open space.

The purpose of the proposed resolution is to begin the process of levying the PID assessment on Phase 3 of the development. Levying the assessment is a multi-step process, and will include a public hearing at a later date – August 5, 2024. City Council levied the PID assessment on Phase 2 on March 7, 2022, and this process will not result in any additional assessments being levied on the homeowners of that phase.

The Parks at Panchasarp Farms planned development ordinance and preliminary plat show dedication of 25 acres of parkland and development of four themed parks, along with landscaped trail connections. The required parkland dedication for this development is 10.13

acres. Given that the parkland dedication and park improvements are significantly in excess of the City's requirements, the development achieves two of the considerations for PID projects: 1) advance the City's trail and park plans, and 2) exceed the City's requirements for design, building standards, amenities and landscaping.

The Council previously approved Service and Assessment Plans (SAP) for Phases 1 and 2 of the development. The next step in the process is to determine a Service and Assessment Plan to include Phase 3 of the development. The SAP identifies the responsibilities of the PID and sets the assessment rate for the property owners within it. The PID assessments are proposed to cover two functions: the capital costs associated with construction of the park improvements and the ongoing maintenance costs for the parks.

Capital PID. The development contains 8 phases with themed parks included in Phases 2, 3A, 4, and 5. The remainder of the phases each have park improvements related to landscaping and trail connectivity. The total estimated cost for all phases is \$2,931,839. This amount is listed in the preliminary SAP and remains consistent with the SAP for Phase 1 previously passed by Council in February of 2020.

Operations and Maintenance (O&M) PID. The Administrative Expenses shown on Appendix H-1 include estimates for the operations and maintenance of the Authorized Improvements, Assessment collection costs, and other PID administration expenses. These estimates will be updated each year as part of the Annual Service Plan update.

Preliminary Service and Assessment Plan (SAP). On November 11, 2019, staff presented PID assessment options in a work session. At that meeting, Council's direction was to move forward with an assessment rate of no more than \$0.227 per \$100 of valuation. The proposed preliminary SAP has a Phase 3 assessment rate under that rate. The proposed preliminary assessment rate for Phase 3 lots ranges from \$0.177 to \$0.184 per \$100 of valuation.

Attached is the preliminary Service and Assessment Plan (SAP) for the PID. The SAP is the document that defines the specific terms of the PID. Generally, it includes the following:

- Specific financing information related to the assessments. The proposed SAP includes provisions related to bonds for the development. There is no current intent to use bonds for this project. The intent is for the developer to be reimbursed through collected assessment over time. There may be a point in the future where bonds may become appropriate due to the cumulative cost of the development, but that will be many years in the future and will be considered by Council at that time.
- A list of legally authorized improvements is included as well as a list of the proposed improvements. The legally authorized improvements list is a list of any improvements that would be allowed by state law. Including this list allows future flexibility, but the intent of the PID is only for park improvements. Any improvements beyond those described as park improvements and associated costs must be authorized by a subsequent amendment to the SAP.
- The total cost of all proposed improvements in the amount of \$2,931,839.
- The SAP also includes reference to the Operations and Maintenance components of the PID. The PID will fund operation and maintenance activities within the parkland areas.

- Other miscellaneous legal requirements.

The purpose of this item is to approve a resolution for the following items:

- Accepting the preliminary Service and Assessment Plan.
- Preliminary determination of the estimated cost for the park improvements.
- Final determination of the costs of the park improvements and approval of the final Service and Assessment plan will be subject to a public hearing.
- Setting a public hearing date of August 5, 2024, for the Service and Assessment Plan.
- Authorizing staff to publish notice of the public hearing and make the documents available for inspection by the public.

The following items are proposed for the August 5, 2024, City Council Meeting:

- A public hearing related to the Service and Assessment Plan.
- Consideration of an ordinance approving the Service and Assessment Plan.
- Consideration of assessment of property within the Public Improvement District.
- Authorize a reimbursement agreement with the Public Improvement District using assessment revenue.

RECOMMENDATION:

Staff recommends the Council approve the resolution and establish a public hearing date of August 5, 2024

PRIOR ACTION/INPUT (Council, Boards, Citizens):

List date and description of any prior action related to the subject

REFERENCE:

Insert CSO# if applicable

Insert resolution or ordinance change

FISCAL IMPACT:

None

STAFF CONTACT:

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