



# PANCHASARP FARMS PHASE III PRELIMINARY SERVICE AND ASSESSMENT PLAN (SAP)

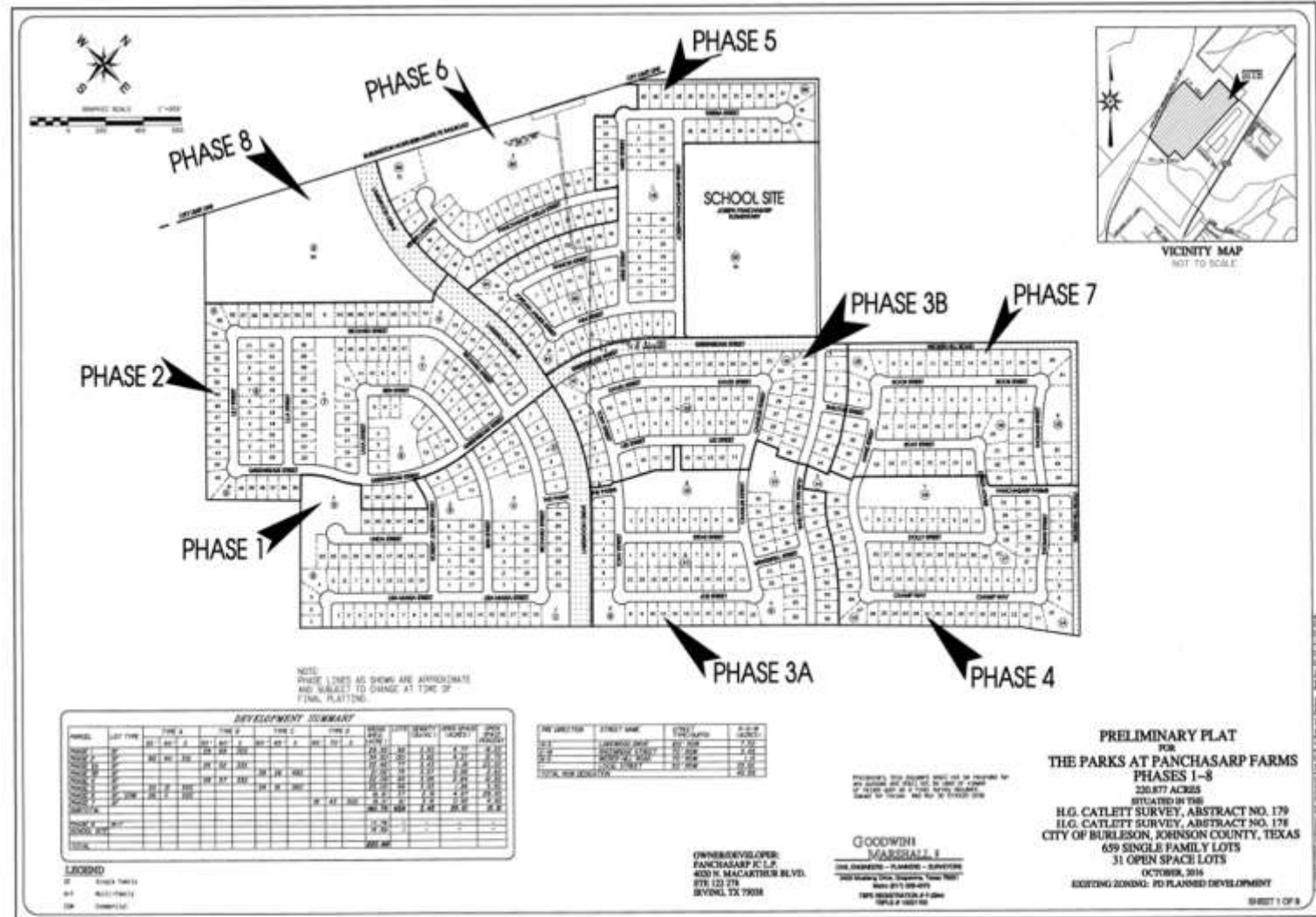
Presented to the City Council on July 22, 2024

# PRELIMINARY SERVICE AND ASSESSMENT PLAN

- Chapter 372 of the Local Government Code establishes the enabling legislation for Public Improvement Districts (PIDs).
- PIDs are created by the property owners wishing to benefit from public improvements.
- Public Improvements include:
  - Landscaping, fountains, lightings, signs
  - Sidewalk and street alterations, pedestrian malls, public art
  - Parks, libraries, off-street parking facilities
  - Water, sewer and drainage improvements, etc.

# THE PARKS AT PANCHASARP FARM

- 220.88 acres
- 659 single family lots
- 250 multi-family units
- Commercial Site
- School Site
- 25 acres of parks
- The Panchasarp Farms Public Improvement District was created with Resolution CSO#981-02-2019 on February 4, 2019.



# PRELIMINARY SERVICE AND ASSESSMENT PLAN

A service and assessment plan dated February 3, 2020 (the “Service and Assessment Plan”) was prepared at the direction of the City identifying:

- the public improvements (the “Authorized Improvements”) to be provided by the PID.
- the costs of the Authorized Improvements.
- The indebtedness to be incurred for the Authorized Improvements.
- the manner of assessing the property in the PID for the costs of the Authorized Improvements.

The Texas legislature passed House Bill 1543 as an amendment to the PID Act, requiring, among other things:

- all Service and Assessment Plans and Annual Service Plan Updates be approved through City ordinance or order to be filed with the county clerk of each county in which all or part of the PID is located within seven days.
- include a copy of the notice form required by Section 5.014 of the Texas Property Code (the “PID Assessment Notice”) as disclosure of the obligation to pay PID Assessments.

# PREVIOUS SERVICE AND ASSESSMENT PLAN UPDATES

- September 21st, 2020: Resolution adopting the 2020-2021 Annual Service Plan Update by City Council.
- September 7th and September 20th, 2021: First and final readings of the Ordinance adopting the 2021-2022 Annual Service Plan Update by City Council.
- January 18th, 2022: First reading of the Ordinance adopting the 2022-2023 Annual Service Plan and Phase II levy/assessment by City Council.
- February 21st and March 7<sup>th</sup>, 2022: First and final readings of the Ordinance adopting the amended and restated 2022-2023 Annual Service Plan and Phase II levy/assessment by City Council.
- August 15th and September 6th, 2022: First and final readings of the Ordinance adopting the 2022-2023 Annual Service Plan Update by City Council.
- August 21<sup>st</sup> and September 5th, 2023: First and final readings of the Ordinance adopting the 2023-2024 Annual Service Plan Update by City Council.

# PHASES I AND II DEVELOPMENT PROFILE

**Table II-B**

**Proposed Development within Phase #1 – Original**

<b>Proposed Development</b>	<b>Quantity</b>	<b>Measurement</b>
70 Ft Lots	0	Units
65 Ft Lots	0	Units
60 Ft Lots	58	Units
55 Ft Lots	40	Units
Multi-Family	0	Units
<b>Total</b>	<b>98</b>	<b>Units</b>

**Table II-C**

**Proposed Development within Phase #2 – Original**

<b>Proposed Development</b>	<b>Quantity</b>	<b>Measurement</b>
70 Ft Lots	0	Units
65 Ft Lots	0	Units
60 Ft Lots	35	Units
55 Ft Lots	95	Units
Multi-Family	0	Units
<b>Total</b>	<b>130</b>	<b>Units</b>

# PHASE III DEVELOPMENT PROFILE

**Table II-D**  
**Proposed Development within Phase #3**

<b>Proposed Development</b>	<b>Quantity</b>	<b>Measurement</b>
70 Ft Lots	18	Units
65 Ft Lots	34	Units
60 Ft Lots	60	Units
55 Ft Lots	40	Units
Multi-Family	0	Units
<b>Total</b>	<b>152</b>	<b>Units</b>

# PRELIMINARY SERVICE AND ASSESSMENT PLAN

The following tables are contained within the preliminary Service and Assessment Plan. With regard to the presentation, an understanding of the following terms is helpful:

- **Number of Lots** shall mean the number of permits issued by the city for home construction.
- **Equivalent Unit (EU)** shall mean the number of dwelling units (by lot type) expected to be built on the Parcel multiplied by the factors calculated. Essentially, the lot type with the highest estimated average unit value is the base and is assigned an EU factor of 1.00. Thereafter, the EU of each other lot type is a ratio/percentage of the lot type with an EU of 1.00.



# PHASE III EQUIVALENT UNITS

**Table D-A.12**  
**Equivalent Units- Phase #3**

<b>Lot Type</b>	<b>No. of units</b>	<b>Equivalent Unit Factor</b>	<b>Total Equivalent Units</b>
Lot Type 1 (70 Ft Lot)	3	1.00	3.00
Lot Type 2 (65 Ft Lot)	32	0.93	29.76
Lot Type 3 (60 Ft Lot)	89	0.86	76.54
Lot Type 4 (55 Ft Lot)	28	0.79	22.12
Lot Type 6 (Multi-Family)	0	0.31	0.00
<b>Total Equivalent Units</b>	<b>152</b>		<b>131.42</b>

# PID IMPROVEMENT ALLOCATIONS

- The park improvements are meant to benefit all properties within the PID. Accordingly, the estimated park improvement costs are allocated throughout all assessed property in the PID.
- 12.76% of the Budgeted Costs of Park Improvements are allocated to the Phase #1 assessed property.
- 16.46% of the Budgeted Costs of Park Improvements are allocated to the Phase #2 assessed property.
- 20.58% of the Budgeted Costs of Park Improvements are allocated to the Phase #3 assessed property.

# PHASE I AND II IMPROVEMENTS

**Table III-B**  
**Authorized Improvements - Phase #1 Improvements**

<b>Description</b>	<b>Total Cost</b>	<b>% Allocation<sup>1</sup></b>	<b>Phase #1's Share of Total Costs</b>
Grading improvements	\$143,200	12.76%	\$18,270
Irrigation improvements	\$316,310	12.76%	\$40,356
Landscaping improvements	\$960,004	12.76%	\$122,481
Site furnishings improvements	\$177,200	12.76%	\$22,608
Site elements improvements	\$447,954	12.76%	\$57,152
Playground improvements	\$517,812	12.76%	\$66,064
Other soft costs including PID creation costs	\$369,359	12.76%	\$47,124
<b>Total Improvement Costs</b>	<b>\$2,931,839</b>		<b>\$374,055</b>

**Table III-C**  
**Authorized Improvements - Phase #2 Improvements**

<b>Description</b>	<b>Total Cost</b>	<b>% Allocation<sup>1</sup></b>	<b>Phase #2's Share of Total Costs</b>
Grading improvements	\$143,200	16.46%	\$23,577
Irrigation improvements	\$316,310	16.46%	\$52,079
Landscaping improvements	\$960,004	16.46%	\$158,062
Site furnishings improvements	\$177,200	16.46%	\$29,175
Site elements improvements	\$447,954	16.46%	\$73,754
Playground improvements	\$517,812	16.46%	\$85,256
Other soft costs including PID creation costs	\$369,359	16.46%	\$60,814
<b>Total Improvement Costs</b>	<b>\$2,931,839</b>		<b>\$482,718</b>

# PHASE III IMPROVEMENTS

**Table III-D**  
**Authorized Improvements - Phase #3 Improvements**

<b>Description</b>	<b>Total Cost</b>	<b>% Allocation<sup>1</sup></b>	<b>Phase #3's Share of Total Costs</b>
Grading improvements	\$143,200	20.58%	\$29,468
Irrigation improvements	\$316,310	20.58%	\$65,091
Landscaping improvements	\$960,004	20.58%	\$197,551
Site furnishings improvements	\$177,200	20.58%	\$36,464
Site elements improvements	\$447,954	20.58%	\$92,180
Playground improvements	\$517,812	20.58%	\$106,556
Other soft costs including PID creation costs	\$369,359	20.58%	\$76,007
<b>Total Improvement Costs</b>	<b>\$2,931,839</b>		<b>\$603,317</b>

# ASSESSMENT RATE

- The PID Policy states that the maximum PID assessment per \$100 valuation, when added to the total tax rate, may not exceed the highest total tax rate in effect for any property in the City.
- The assessment rate of \$0.227 continues to meet the PID Policy requirement as detailed below:
- $\$2.1527 + \$0.227 = \$2.3797$
- $(\text{Tax Rate} + \text{PID Rate} = \text{T\&P Total})$
- $\$2.3797 < \$2.4523$
- $(\text{T\&P Total} < \text{Highest Tax Rate in City})$

	Johnson			Tarrant	
	BISD	JISD	AISD	BISD	CISD
City	\$0.6325	\$0.6325	\$0.6325	\$0.6325	\$0.6325
ISD	\$1.2575	\$1.0872	\$1.1692	\$1.2575	\$1.2575
County	\$0.3350	\$0.3350	\$0.3350	\$0.2290	\$0.2290
JC Lateral Rd	\$0.0500	\$0.0500	\$0.0500		
Hill College		\$0.0480	\$0.0447		
Tarrant College				\$0.1121	\$0.1121
Tarrant Hospital				\$0.1945	\$0.1945
TC Regional Water				\$0.0267	\$0.0267
Total	\$2.275	\$2.1527	\$2.2314	\$2.4523	\$2.4523

# PID TAX CAP

- The current PID policy has a tax cap and requires a maintenance PID. A maintenance PID does not fund capital costs for new projects.
- Due to these limitations, staff recommends either dissolving the PID Policy or reviewing PIDs on a case-by-case basis to better gauge prospective improvements and long-term costs.
- Reminder: once the special assessment is complete, the City will have to determine how to fund the ongoing maintenance costs.
- Per Council's direction, staff will provide a briefing on this issue at the next scheduled *Policy and Valuation Committee* (August).

# RESOLUTION

- 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.

# FUTURE COUNCIL ACTIONS

- 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.



# STAFF RECOMMENDATION

## **Council Options**

- Approve the resolution
- Deny the resolution

## **Staff's Recommendation**

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