



PANCHASARP FARMS 2026-2027 ANNUAL UPDATE TO THE SERVICE AND ASSESSMENT PLAN (SAP)

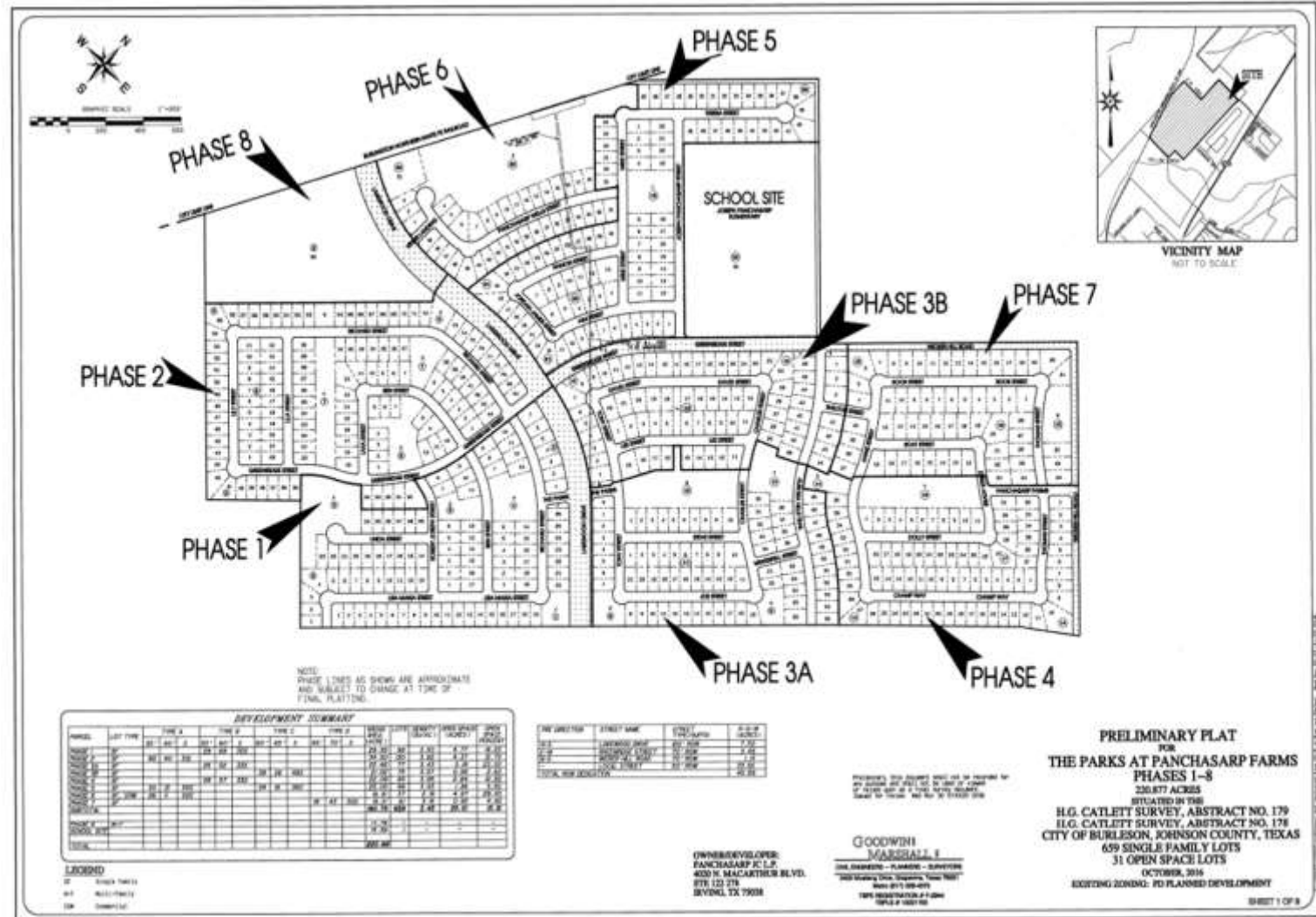
Presented to the City Council on September 8, 2026

PUBLIC IMPROVEMENT DISTRICTS

- 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.



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.
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- Pursuant to Chapter 372 of the Texas Local Government Code, as amended (the “PID Act”), the Updated Service and Assessment Plan must be reviewed and updated annually for the purpose of determining the annual budget for the Authorized Improvements. This document is the annual update of the Updated Service and Assessment Plan for 2025-26 (the “Annual Service Plan Update”).

PREVIOUS ANNUAL UPDATES TO THE SERVICE PLAN UPDATES

- September 21st, 2020: Council approved the 2020-2021 annual update to the Service and Assessment Plan.
- September 20th, 2021: Council approved the 2021-2022 annual update to the Service and Assessment Plan.
- September 6th, 2022: Council approved the 2022-2023 annual update to the Service and Assessment Plan.
- September 5th, 2023: Council approved the 2023-2024 annual update to the Service and Assessment Plan.
- August 19th, 2024: Council approved the 2024-2025 annual update to the Service and Assessment Plan.
- September 2nd, 2025: Council approved the 2024-2025 annual update to the Service and Assessment Plan.

ALLOCATED COSTS OF AUTHORIZED IMPROVEMENTS PER PHASE

Phase	Original Estimated EU	Revised Estimated EU ²	Percentage Allocation	Proportionate Share of Costs
Phase #1	82.25	81.48	12.76%	\$374,055
Phase #2	105.15	105.15	16.46%	\$482,718
Phase #3	131.42	131.42	20.58%	\$603,317
Future Phases	320.59	320.59	50.20%	\$1,471,750
Total	639.41	638.64	100.00%	\$2,931,839

1- The numbers in this and subsequent tables are in some cases shown rounded to the nearest dollar; however, the calculations are made to the cent.

2- The Equivalent Units used to determine the Assessments for each Phase. The Equivalent Units reported for Phase #1, Phase #2 and Phase #3 are the final values.

PHASES I AND II DEVELOPMENT PROFILE

Table C-4

Proposed Development – Phase #1 – Updated 2021

Lot Type	Description	Proposed Development	
Lot Type 1	70 Ft Lots	0	Units
Lot Type 2	65 Ft Lots	0	Units
Lot Type 3	60 Ft Lots	58	Units
Lot Type 4	55 Ft Lots	40	Units
Lot Type 5	Multi-Family	0	Units
Total		98	Units

Table C-5

Proposed Development – Phase #2 – Original

Lot Type	Description	Proposed Development	
Lot Type 1	70 Ft Lots	0	Units
Lot Type 2	65 Ft Lots	0	Units
Lot Type 3	60 Ft Lots	35	Units
Lot Type 4	55 Ft Lots	95	Units
Lot Type 5	Multi-Family	0	Units
Total		130	Units

PHASE III DEVELOPMENT PROFILE

Table C-7
Proposed Development – Phase #3

Lot Type	Description	Proposed Development	
Lot Type 1	70 Ft Lots	3	Units
Lot Type 2	65 Ft Lots	32	Units
Lot Type 3	60 Ft Lots	89	Units
Lot Type 4	55 Ft Lots	28	Units
Lot Type 5	Multi-Family	0	Units
Total		152	Units

SERVICE AND ASSESSMENT PLAN

The following tables are contained within the 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.

EQUIVALENT UNIT FACTORS

Table C-9
Equivalent Unit Factors

Lot Type	Estimated Average	
	Unit Value	Equivalent Unit Factor
Lot Type 1 (70 Ft Lot)	\$340,000	1.00 per dwelling unit
Lot Type 2 (65 Ft Lot)	\$315,000	0.93 per dwelling unit
Lot Type 3 (60 Ft Lot)	\$293,000	0.86 per dwelling unit
Lot Type 4 (55 Ft Lot)	\$269,000	0.79 per dwelling unit
Lot Type 6 (Multi-Family)	\$105,000	0.31 per dwelling unit

PHASES I & II EQUIVALENT UNITS

Table C-11
Equivalent Units - Phase #1 – Updated 2021

Lot Type	No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (70 Ft Lot)	0	1.00	0.00
Lot Type 2 (65 Ft Lot)	0	0.93	0.00
Lot Type 3 (60 Ft Lot)	58	0.86	49.88
Lot Type 4 (55 Ft Lot)	40	0.79	31.60
Lot Type 6 (Multi-Family)	0	0.31	0.00
Total Equivalent Units	98		81.48

Table C-12
Equivalent Units- Phase #2 – Original

Lot Type	No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (70 Ft Lot)	0	1.00	0.00
Lot Type 2 (65 Ft Lot)	0	0.93	0.00
Lot Type 3 (60 Ft Lot)	35	0.86	30.10
Lot Type 4 (55 Ft Lot)	95	0.79	75.05
Lot Type 6 (Multi-Family)	0	0.31	0.00
Total Equivalent Units	130		105.15

PHASE III EQUIVALENT UNITS

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

Lot Type	No. of units	Equivalent Unit Factor	Total Equivalent Units
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
Total Equivalent Units	152		131.42

PID IMPROVEMENT ALLOCATIONS

- Pursuant to the Updated Service and Assessment Plan adopted by City Council, the initial total estimated costs of the Authorized Improvements were equal to \$2,931,839. According to PF Farms, LLC (the “Developer”), the costs spent as of July 18, 2025 for the Authorized Improvements were equal to \$2,231,742.

Table II-A-1
Allocated Costs of Authorized Improvements per Phase

Phase	Original Estimated EU	Revised Estimated EU²	Percentage Allocation	Proportionate Share of Costs
Phase #1	82.25	81.48	12.76%	\$374,055
Phase #2	105.15	105.15	16.46%	\$482,718
Phase #3	131.42	131.42	20.58%	\$603,317
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Total	639.41	638.64	100.00%	\$2,931,839

1- The numbers in this and subsequent tables are in some cases shown rounded to the nearest dollar; however, the calculations are made to the cent.

2- The Equivalent Units used to determine the Assessments for each Phase. The Equivalent Units reported for Phase #1, Phase #2 and Phase #3 are the final values.

SOURCES AND USES OF FUNDS

Table II-A-2
Sources and Uses of Funds – Total¹

Sources of Funds	Original Budget	Budget Revisions ¹	Revised Budget	Spent to Date ²	Remaining Balance ¹
Phase #1 Reimbursement Agreement	\$374,055	\$0	\$374,055	\$374,055	\$0
Phase #2 Reimbursement Agreement	\$482,718	\$0	\$482,718	\$482,718	\$0
Phase #3 Reimbursement Agreement	\$603,317	\$0	\$603,317	\$603,317	\$0
Future Phase Reimbursement Agreement	\$1,471,750	\$0	\$1,471,750	\$0	\$1,471,750
Other funding sources	\$20,000	\$771,652	\$791,652	\$771,652	\$20,000
Total Sources	\$2,951,839	\$771,652	\$3,723,491	\$2,231,742	\$1,491,750
Uses of Funds					
<u>Authorized Improvements</u>					
Grading improvements	\$43,200	\$224,041	\$267,241	\$266,133	\$1,108
Irrigation improvements	\$316,310	\$248,104	\$564,414	\$405,630	\$158,784
Landscaping improvements	\$960,004	\$51,955	\$1,011,959	\$530,048	\$481,911
Site furnishings improvements	\$177,200	(\$22,720)	\$154,480	\$65,528	\$88,952
Site elements improvements	\$447,954	\$144,582	\$592,536	\$367,669	\$224,868
Playground improvements	\$517,812	\$31,166	\$548,978	\$289,042	\$259,936
Other soft costs including PID creation costs	\$469,359	\$94,523	\$563,882	\$307,691	\$256,191
<i>Subtotal Authorized Improvements</i>	<i>\$2,931,839</i>	<i>\$771,652</i>	<i>\$3,703,491</i>	<i>\$2,231,742</i>	<i>\$1,471,750</i>
<u>Other Costs</u>					
Administrative Expenses	\$20,000	\$0	\$20,000	\$0	\$20,000
<i>Subtotal Other Costs</i>	<i>\$20,000</i>	<i>\$0</i>	<i>\$20,000</i>	<i>\$0</i>	<i>\$20,000</i>
Total Uses	\$2,951,839	\$771,652	\$3,723,491	\$2,231,742	\$1,491,750

1- The numbers in this and subsequent tables are in some cases shown rounded to the nearest dollar; however, the calculations are made to the cent.

2 - According to the Developer as of July 18, 2025.

PID ACT

- The Texas legislature passed HB 1543 as an amendment to the PID Act, requiring all (i) 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 and (ii) 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.

STAFF RECOMMENDATION

- Staff recommends the Council approve the 2026-2027 annual update to the Service and Assessment Plan.