



2023-24 ANNUAL SERVICE AND ASSESSMENT PLAN (SAP) UPDATE

Presented to the City Council on
September 5, 2023

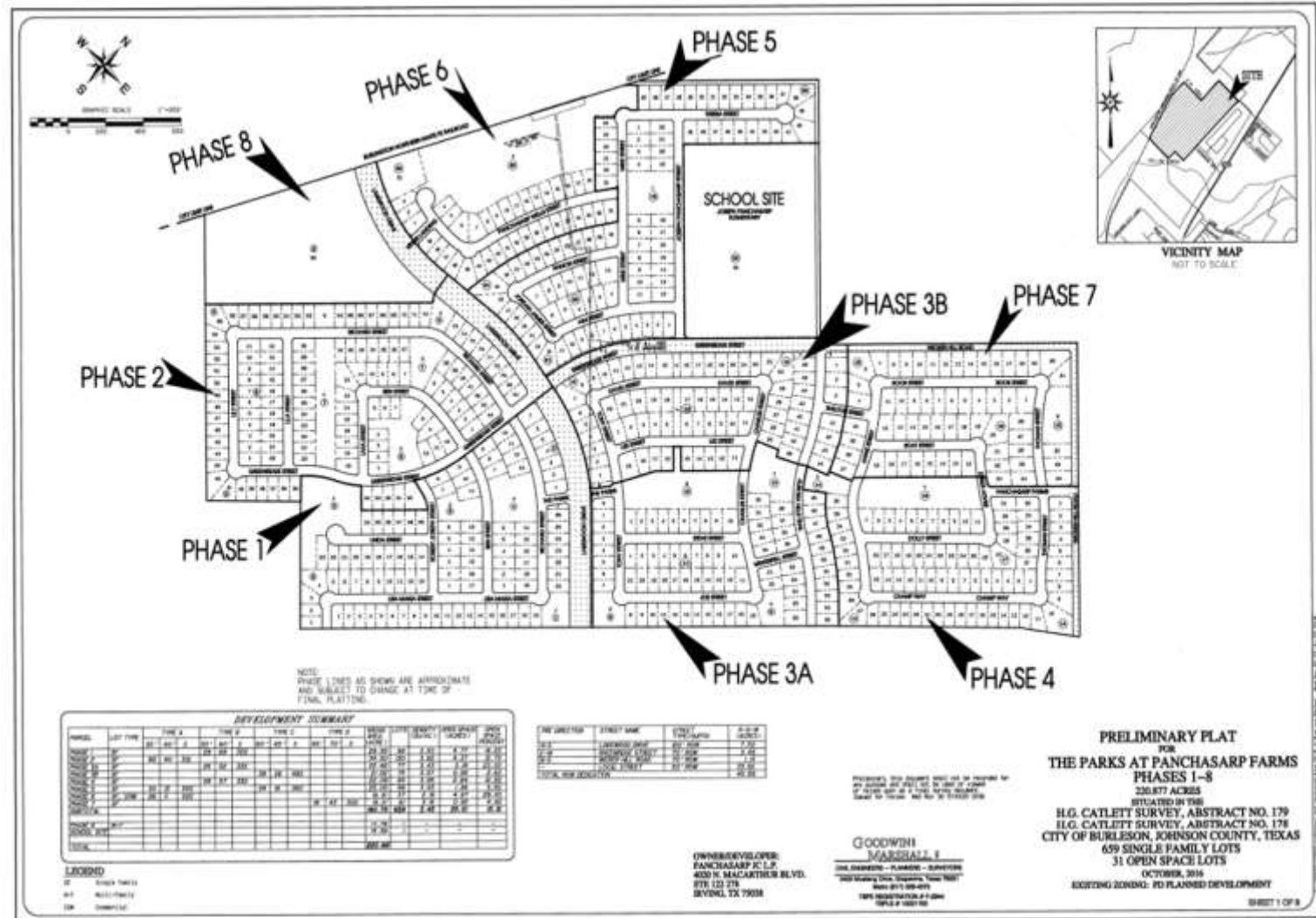
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What is a Public Improvement District (PID)?

- PIDs are created by the property owners wishing to benefit from public improvements; cannot be forced upon the property owners by the city.
- Chapter 372 of the Local Government Code establishes the enabling legislation for PIDs
- 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

- The Panchasarp Farms Public Improvement District (the “PID”) was created with Resolution CSO#981-02-2019 of the City Council on February 4, 2019, to finance certain public improvements within the development.



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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

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PREVIOUS ANNUAL SAP UPDATES

- **September 20, 2020:** Resolution adopting the 2020-2021 Annual Service Plan Update by City Council.
- **September 7, 2021:** First reading of the Ordinance adopting the 2021-2022 Annual Service Plan Update by City Council
- **September 20 2021:** Final reading of the Ordinance adopting the 2021-2022 Annual Service Plan Update by City Council
- **August 15, 2022:** First reading of the Ordinance adopting the 2022-2023 Annual Service Plan Update by City Council
- **September 6, 2022:** Final reading of the Ordinance adopting the 2022-2023 Annual Service Plan Update by City Council

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The following tables contain assessment, indebtedness and annual installment data. 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.

Ex: Lot Type 1 – Estimated Average Home Value is \$340,000 = Highest Value = EU 1.00

*Lot Type 2 – Estimated Average Home Value is \$315,000 = $(\$315,000/\$340,000) = EU$
0.93*

*Lot Type 3 – Estimated Average Home Value is \$293,000 = $(\$293,000/\$340,000) = EU$
0.86*

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Annual Installment Conditions refer to when the assessment for each parcel should be collected. The earlier of the three conditions below will trigger the commencement of the collection of Annual Installments for each parcel.

- Condition i: Annual Installment collection for a specific parcel shall commence when the building permit for the parcel has been issued.
- Condition ii: Annual Installment collection for all parcels in the Phase shall commence the first October after issuance of a series of Phased PID Bonds.
- Condition iii: Annual Installment collection for all parcels (or remaining parcels that yet to be triggered) shall commence the first October occurring after the expiration of two years from the date of the levy of Assessments on the Phase.

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Table II-D

Assessments on Phase #1 Lots with Building Permits as of June 30, 2023¹

Trigger Period	Annual Installment Condition Trigger	Number of Lots	Total EU	Total Assessments²
2020-21	Condition (i)	41	34.14	\$156,728.33
2021-22	Condition (i)	55	45.62	\$209,430.19
2022-23	Condition (iii)	2	1.72	\$7,896.10
Total		98	81.48	\$374,054.62

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Table II-C-1

Annual Projected Indebtedness & Projected Annual Installments – Phase #1

Assessment Year Ending 09/01¹	Annual Projected Costs	Annual Projected Indebtedness	Phase #1 Projected Annual Installments^{2,3}
2021-2023	\$374,055	\$374,055	\$137,528
2024	\$0	\$0	\$57,047
2025	\$0	\$0	\$58,857
2026	\$0	\$0	\$59,121
2027	\$0	\$0	\$59,295
2028	\$0	\$0	\$59,536
2029	\$0	\$0	\$59,688
Total	\$374,055	\$374,055	\$491,072

1 - Projected Annual Installments for Assessment Years ending 2021-24 represent actual amounts billed and include applicable credits. Assessment Years ending 2025-2029 represent projected amounts and will be updated in future Annual Service Plan Updates.

2 - Represents the Annual Installments billed for Phase #1 Lots triggered as of May 31, 2023.

3 - Refer to Section C of this report for additional information regarding Phase #1's annual budget and Annual Installments.

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Table II-C-2

Annual Projected Indebtedness & Projected Annual Installments – Phase #2

Assessment Year Ending 09/01¹	Annual Projected Costs	Annual Projected Indebtedness	Phase #2 Projected Annual Installments^{2,3}
2022-2023	\$482,718	\$482,718	\$32,856
2024	\$0	\$0	\$41,186
2025	\$0	\$0	\$72,722
2026	\$0	\$0	\$72,664
2027	\$0	\$0	\$73,435
2028	\$0	\$0	\$73,353
2029	\$0	\$0	\$74,101
Total	\$482,718	\$482,718	\$440,317

1 - Projected Annual Installments for Assessment Years ending 2022-24 represent actual amounts billed and include applicable credits. Assessment Years ending 2025-2029 represent projected amounts and will be updated in future Annual Service Plan Updates.

2 - Represents the Annual Installments billed for Phase #2 Lots triggered as of May 31, 2023.

3 - Refer to Section E of this report for additional information regarding Phase #2's annual budget and Annual Installments.

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Table II-J

Assessments on Phase #2 Lots with Building Permits as of June 30, 2023¹

Trigger Period	Annual Installment Condition Trigger	Number of Lots	Total EU	Total Assessments²
2022-23	Condition (i)	59	48.01	\$220,402.09
2023-24	Condition (i)	18	14.50	\$66,565.93
Total		77	62.51	\$286,968.02

1 – Number of Lots represents the issuance of building permits according to the City.

2 – See various Assessment Rolls for the current total outstanding Assessment balances.

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Council Options

- Approve the ordinance as presented
- Approve the ordinance with revisions
- Deny the ordinance

Staff's Recommendation

Staff recommends the Council approve the ordinance and direct the City Secretary to file the ordinance with the County Clerk.