



## AGENDA ITEM SUMMARY FORM

**PROPOSED MEETING DATE:** April 3, 2024  
**PREPARED BY:** Scott Dunlop, Director  
**DEPARTMENT:** Development Services

### AGENDA ITEM DESCRIPTION:

Consideration, discussion, and possible action on a Resolution of the City of Manor, Texas approving and authorizing the Mustang Valley Public Improvement District Reimbursement Agreement.

### BACKGROUND/SUMMARY:

The city, on October 2, 2021, entered into a development Agreement with KB Homes (the “Developer”) for the development of a residential community. In June 2023, the city authorized the creation of the Mustang Valley Public Improvement District (the “District”). The district consists of approximately 137 acres, will have approximately 363 homes, and will be developed by KB Homes. Many of the public improvements that are needed for the development of the initial phase of the development are expected to be accepted soon by the city. The Developer wishes for the City to 1) approve and sign the reimbursement Agreement that this the subject of this item (the “Agreement”), 2) accept the improvements, 3) levy PID assessments against the property in the district, and 4) issue PID bonds to reimburse the Developer.

This item is to do the first item and approve the Agreement. By signing the Agreement before accepting the improvements, the City establishes its intent to reimburse the Developer for the improvements in a manner that is sufficient for the Attorney General as it reviews any PID bonds that may be issued. It is expected that the Developer will request that the City levy PID assessments against property in the district at a subsequent meeting in the near term. The Developer will want the City to levy assessments before it sells homes to end users to ensure that the assessments will be an effective lien against each parcel that is sold.

The Agreement provides that the city will reimburse the Developer for the costs of constructing improvements that benefit particular phases of the Mustang Valley PID. Such reimbursements will come from assessments levied against properties, or from bonds paid from by the assessments. If the City does levy assessments before issuing bonds, as is likely the case, the City will begin reimbursing the Developer over time from the assessments that are collected.

**LEGAL REVIEW: YES** *Yes, Gregory Miller, Bond Counsel*  
**FISCAL IMPACT:** *The amounts to be paid under this Agreement will be funded from assessment revenues and not from the City’s general or operating fund.*  
**PRESENTATION:** *No*  
**ATTACHMENTS:** *Yes (If YES, please list below in order to be presented)*

- Resolution No. 2024-07
- Reimbursement Agreement

### STAFF RECOMMENDATION:

Staff recommends approval of Resolution No. 2024-07 authorizing the Mustang Valley Public Improvement District Reimbursement Agreement.