

**RESOLUTION NO. 2023-13**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MANOR, TEXAS ACCEPTING A PETITION FOR CREATION OF THE MUSTANG VALLEY PUBLIC IMPROVEMENT DISTRICT; SETTING A PUBLIC HEARING UNDER SEC. 372.009 OF THE TEXAS LOCAL GOVERNMENT CODE ON THE ADVISABILITY OF THE CREATION OF THE MUSTANG VALLEY PUBLIC IMPROVEMENT DISTRICT WITHIN THE CITY OF MANOR, TEXAS; AND AUTHORIZING THE ISSUANCE OF NOTICE BY THE CITY SECRETARY OF MANOR, TEXAS REGARDING THE PUBLIC HEARING.**

**WHEREAS**, the City of Manor, Texas (the “City”) is authorized by Chapter 372, Texas Local Government Code, as amended (the “Act”) to create a public improvement district within its corporate limits and its extraterritorial jurisdiction and to levy special assessments against property within the district to pay the costs of public improvement projects that confer a special benefit on property within the district; and

**WHEREAS**, on June 14, 2022, KB Home Lone Star Inc., a Texas corporation (the “Petitioner”), submitted and filed with the City Secretary of the City (the “City Secretary”) pursuant to the Act a “Petition to Establish Mustang Valley Public Improvement District” (the “Petition”), attached hereto as Exhibit “A” and incorporated herein for all purposes, requesting the establishment of a public improvement district covering approximately 136.904 acres described in the Petition, to be known as the Mustang Valley Public Improvement District (the “District”); and

**WHEREAS**, Petitioner represents that they constitute (i) the owners of taxable real property representing more than fifty percent (50%) of the appraised value of taxable real property liable for assessment under the proposal in the Petition, as determined by the current roll of the appraisal district in which the property is located and (ii) the record owners of real property liable for assessment under the proposal who: (A) constitute more than fifty percent (50%) of all record owners of property that is liable for assessment under the proposal in the Petition; or (B) own taxable real property that constitutes more than fifty percent (50%) of the area of all taxable real property that is liable for assessment under the proposal in the Petition, within the corporate limits of the City. It is further asserted that Petitioner includes the intended successors in interest to certain owners of taxable real property within the area proposed for the District and who will be responsible for the assessments against the property within the District; and

**WHEREAS**, the Act states that a Petition to create a public improvement district is sufficient if signed by owners of more than fifty percent (50%) of the taxable real property, according to appraised value, and either of the following: more than fifty percent (50%) of the area of all taxable real property liable for assessment under the proposal, or more than fifty percent (50%) of all record owners of property liable for assessment; and

**WHEREAS**, Petitioners describe the general nature of the proposed public improvements as (a) acquisition, construction and improvements, and maintenance of the improvements, consisting of (1) landscaping; (2) erection of fountains, distinctive lighting, and signs; (3) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways,

or their rights-of-way, including related landscaping, lighting, traffic control devices, screening walls and retaining walls; (4) construction or improvement of pedestrian malls; (5) acquisition and installation of pieces of art; (6) acquisition, construction, or improvement of off-street parking facilities; (7) acquisition, construction, or improvement of water, wastewater, or drainage facilities or improvements; (8) the establishment or improvement of parks; (9) projects similar to those listed in (1)-(8); (10) acquisition, by purchase or otherwise, of real property or contract rights in connection with an authorized improvement; (11) special supplemental and maintenance services for improvement and promotion of the district, including services relating to advertising, promotion, health and sanitation, water and wastewater, roadways, public safety, security, business recruitment, development, recreation, and cultural enhancement; and (b) the payment of expenses incurred in the establishment, administration, and operation of the District, including maintenance costs, costs of issuance, funding debt service and capitalized interest reserves and credit enhancement fees of any bonds issued by or on behalf of the District, if necessary (collectively, the “Authorized Improvements”); and

**WHEREAS**, Petitioners estimate the cost of the proposed public improvements is \$28,000,000.00 (including issuance and other financing costs) and that said cost will be recovered through an assessment against property in the District which will result in each parcel paying its fair share of the costs of public improvements based on the special benefits received by the property; and

**WHEREAS**, the Act further requires that prior to the adoption of the resolution determining the boundaries of the District, the City Council of Manor, Texas (the “City Council”) must hold a public hearing on the advisability of the improvements, the nature of the improvements contemplated, the estimated costs of the improvements, the method of assessment, and the apportionment, if any, of the costs between the District and the City; and

**WHEREAS**, in order to hold a public hearing for the creation of a public improvement district, notice must be: (i) published in a newspaper of general circulation in the City, and (ii) mailed to the address of each owner of property located in the proposed District, as reflected on the tax rolls, before the fifteenth (15th) day before the date of the hearing in accordance with the Act.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MANOR, THAT:**

**SECTION 1.** The City Council hereby approves the recitals contained in the preamble of this Resolution and finds that all the recitals are true and correct and incorporate the same in the body of this Resolution as findings of fact.

**SECTION 2.** City staff reviewed the Petition attached hereto as Exhibit “A” and determined that same complied with the requirements of the Act and the City Council accepts the Petition. The Petition is filed with the office of the City Secretary and is available for public inspection.

**SECTION 3.** The City Council calls a public hearing to be scheduled at or after 7:00 p.m. on June 7, 2023 to be held at Manor City Hall City Council Chambers, 105 E. Eggleston Street, Manor, Texas 78653 pursuant to the form of the Notice (hereinafter defined) attached hereto as Exhibit “B”, for the purpose of hearing public testimony on the advisability of the improvements, the nature of the improvements contemplated, the estimated costs of the improvements, the boundaries of the District, the method of assessment, and the apportionment, if any, of the costs between the District and the City. All residents and property owners within the District and all other persons, are hereby invited to appear in person, or by their attorney, and speak on the creation of the District.

**SECTION 4.** The Public Hearing may be adjourned from time to time. Upon the closing of the Public Hearing, the City Council may consider the adoption of a resolution creating the District or may defer the adoption of such a resolution for up to six (6) months. The creation of the District is within the sole discretion of the City Council.

**SECTION 5.** Attached hereto as Exhibit “B” is a form of the Notice of Public Hearing (the “Notice”), the form and substance of which is hereby adopted and approved; provided that the Notice may be updated as determined necessary by the City to comply with the Act.

**SECTION 6.** The City Council hereby authorizes and directs the City Secretary, on or before May 19, 2023, in accordance with the Act, to: (a) publish notice of the public hearing in a newspaper of general circulation in the City; and (b) mail notice of the public hearing to the owners of the property located in the proposed District as reflected on the tax rolls.

**SECTION 7.** If any section, article, paragraph, sentence, clause, phrase or word in this resolution or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this resolution; and the City Council hereby declares it would have passed such remaining portions of the resolution despite such invalidity, which remaining portions shall remain in full force and effect.

**SECTION 8.** This Resolution shall be in full force and effect from and after its passage, and it is accordingly so resolved.

**PASSED AND ADOPTED** by the City Council of Manor, Texas, at a regular meeting on the 3<sup>rd</sup> day of May 2023, at which a quorum was present, and for which due notice was given pursuant to Government Code, Chapter 551.

---

Dr. Christopher Harvey, Mayor

**ATTEST:**

---

Lluvia T. Almaraz, City Secretary  
City of Manor, Texas

**EXHIBIT "A"  
PETITION FOR CREATION OF DISTRICT**

**EXHIBIT “B”**

**CITY OF MANOR, TEXAS NOTICE OF PUBLIC HEARING REGARDING THE CREATION OF THE MUSTANG VALLEY PUBLIC IMPROVEMENT DISTRICT**

Pursuant to Section 372.009(c) and (d) of the Texas Local Government Code, as amended (the “Act”), notice is hereby given that the City Council of the City of Manor, Texas (“City”), will hold a public hearing to accept public comments and discuss the petition (the “Petition”), filed by KB Home Lone Star Inc., a Texas corporation (the “Owner”), requesting that the City create the Mustang Valley Public Improvement District (the “District”) to include property owned by the Owner and further described herein (the “Property”).

Time and Place of the Hearing. The public hearing will be held at a regular meeting of the Manor City Council beginning at or after 7:00 p.m. on June 7, 2023 at Manor City Hall City Council Chambers, 105 E. Eggleston Street, Manor, Texas 78653. A copy of the Mustang Valley Public Improvement District petition is available for public review at the office of the City Secretary, located at 105 E. Eggleston Street, Manor, Texas 78653.

General Nature of the Proposed Authorized Improvements. The purposes of the District include the design, acquisition, construction, and improvement of public improvement projects authorized by the Act. The general nature of the proposed public improvements to be provided by the District that are necessary for the development of the Property within the District, in phases, may include, without limitation, (1) landscaping; (2) erection of fountains, distinctive lighting, and signs; (3) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of-way, including related landscaping, lighting, traffic control devices, screening walls and retaining walls; (4) construction or improvement of pedestrian malls; (5) acquisition and installation of pieces of art; (6) acquisition, construction, or improvement of off-street parking facilities; (7) acquisition, construction, or improvement of water, wastewater, or drainage facilities or improvements; (8) the establishment or improvement of parks; (9) projects similar to those listed in (1)-(8); (10) acquisition, by purchase or otherwise, of real property or contract rights in connection with an authorized improvement; (11) special supplemental and maintenance services for improvement and promotion of the district, including services relating to advertising, promotion, health and sanitation, water and wastewater, roadways, public safety, security, business recruitment, development, recreation, and cultural enhancement; and (b) the payment of expenses incurred in the establishment, administration, and operation of the District, including maintenance costs, costs of issuance, funding debt service and capitalized interest reserves and credit enhancement fees of any bonds issued by or on behalf of the District, if necessary (collectively, the “Authorized Improvements”). These Authorized Improvements shall promote the interests of the City and confer a special benefit upon the Property within the District.

Estimated Cost of the Authorized Improvements. The estimated cost to design, acquire and construct the Authorized Improvements, together with bond issuance costs, eligible legal and financial fees, eligible credit enhancement costs and eligible costs incurred in establishment, administration and operation of the District is not to exceed \$28,000,000. The City will determine what amount or portion of the costs will be paid by assessment of the property owners within the District.

Proposed District Boundaries. The District is proposed to include approximately 136.904 acres of land generally located north of Gregg Ln, east of Fuchs Grove Rd, south of Schmidt Ln and west of

FM 973, located within the corporate limits of the City, as generally depicted or described on the map provided herein as Exhibit A, said map and metes and bounds description, also available at Manor City Hall, Office of the City Secretary, located at 105 E. Eggleston Street, Manor, Texas 78653 and available for public inspection during regular business hours.

Proposed Method of Assessment. An assessment methodology will be prepared that will address: (i) how the costs of the public improvements financed with the assessments are assessed against the property in the District, (ii) how the assessments are to be collected each year, and (iii) reduction of the assessments for costs savings (pursuant to the annual review of the service plan for the District). Additionally, a report will be prepared showing the special benefits accruing to property in the District and how the costs of the public improvements are assessed to property on the basis of the special benefits. The result will be that equal shares of the costs will be imposed on property similarly benefitted. The assessment of the methodology will result in each parcel paying its fair share of the costs of the Public Improvements provided with the assessments based on the special benefits received by the property from the Public Improvements and property equally situated paying equal shares of the costs of the Public Improvements.

Apportionment of Cost between the District and the City. Approval and creation of the District will not obligate the City to provide any funds to finance the proposed Authorized Improvements. No municipal property in the District shall be assessed. All the costs of the proposed Authorized Improvements will be paid from assessments levied on the Property within the District. The developer of the Property may also pay certain costs of the improvements from other sources of funds, if any, available to it as developer of the District.

**Exhibit A**  
**Mustang Valley PID Boundary Map**

