

ORDINANCE NO. 807

AN ORDINANCE OF THE CITY OF MANOR MAKING A FINDING OF SPECIAL BENEFIT TO THE PROPERTY IN THE MUSTANG VALLEY PUBLIC IMPROVEMENT DISTRICT; PROVIDING FOR THE METHOD OF ASSESSMENT OF SPECIAL ASSESSMENTS AGAINST PROPERTY IN THE DISTRICT; APPROVING AN ASSESSMENT ROLL FOR IMPROVEMENT AREA #1 OF THE DISTRICT; LEVYING SPECIAL ASSESSMENTS AGAINST PROPERTY WITHIN IMPROVEMENT AREA #1 OF THE DISTRICT; PROVIDING FOR PAYMENT OF THE SPECIAL ASSESSMENTS; PROVIDING FOR PENALTIES AND INTEREST ON DELINQUENT ASSESSMENTS; ESTABLISHING A LIEN ON PROPERTY WITHIN THE DISTRICT; APPROVING A SERVICE AND ASSESSMENT PLAN; PROVIDING FOR RELATED MATTERS IN ACCORDANCE WITH CHAPTER 372, TEXAS LOCAL GOVERNMENT CODE; PROVIDING AN EFFECTIVE DATE; AND PROVIDING FOR SEVERABILITY

WHEREAS, KB Home Lone Star Inc., a Texas corporation (“Landowner”), in accordance with Chapter 372 of the Texas Local Government Code (the “PID Act”), filed a petition (the “Petition”) with the City Secretary on June 14, 2022, requesting that the City authorize the Mustang Valley Public Improvement District (the “District”) to be created within the City limits; and

WHEREAS, the Petition contained the signatures of the owners of taxable property representing more than fifty percent of the appraised value of taxable real property liable for assessment within the District, as determined by the then-current ad valorem tax rolls of the Travis Central Appraisal District and the signatures of property owners who own taxable real property that constitutes more than fifty-percent of the area of all taxable property that is liable for assessment by the District; and

WHEREAS, after providing the notices required by the PID Act and by Chapter 551 of the Texas Government Code, (the “Open Meetings Act”), the City Council conducted a public hearing on June 7, 2023, to hear evidence and make findings as to the advisability of the improvements to be constructed for the benefit of the District (the “Authorized Improvements”); the nature of the Authorized Improvements; the estimated cost of the Authorized Improvements, including the administrative costs of establishing and operating the District (the “Costs”); the boundaries of the District; the apportionment of the Costs to be assessed against property in the District, and between the District and the municipality; and the method of assessment; and

WHEREAS, on June 7, 2023, after the closing of the public hearing, the City Council adopted Resolution No. 2023-22 which authorized the District, and which included the City Council’s findings as to the advisability of the Authorized Improvements; and

WHEREAS, on June 5, 2024, the City Council approved the Mustang Valley Public Improvement District Financing Agreement with the Landowner (the “Financing Agreement”),

and the City Council, in approving the Financing Agreement, did not approve, authorize, or levy any assessments against any of the property within the District; and

WHEREAS, the City Council, on October 1, 2025, adopted Resolution 2025-41 directing the filing of the Improvement Area #1 Assessment Roll, a copy of which is included as an appendix to the attached **Exhibit A** and is incorporated herein, making the Improvement Area #1 Assessment Roll available for public inspection, and approving the publication of the notice on October 3, 2025 in *The Manor Journal* of a public hearing to be opened on October 15, 2025, to consider the proposed assessments to be levied against property located in Improvement Area #1 of the District (the “Improvement Area #1 Assessments”), and also mailed notice of the same hearing to the property owners; and

WHEREAS, the City Council opened said hearing on October 15, 2025, and continued the public hearing for reconvening on November 5, 2025, at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or to contest the Improvement Area #1 Assessment Roll, and each proposed assessment, and to offer testimony pertinent to any issue presented on the amount of the Improvement Area #1 Assessment, the apportionment of the costs of the Authorized Improvements, the purpose of the Improvement Area #1 Assessment, the special benefits accruing to the property within the District due to the Authorized Improvements, and the penalties and interest of annual installments and on delinquent annual installments of the Improvement Area #1 Assessment; and

WHEREAS, there were no written objections or evidence submitted to the City Secretary either before or at the hearing in opposition to the 2025 Service and Assessment Plan, the apportionment of the costs of the Authorized Improvements, the Improvement Area #1 Assessment Roll, or the levy of the Improvement Area #1 Assessments; and

WHEREAS, the apportionment of the Costs to be assessed against the property in the District, as reflected in the Improvement Area #1 Assessment Rolls and in the service and assessment plan, a copy of which is attached hereto as **Exhibit A** and is incorporated herein (the attached service and assessment plan, the “2025 Service and Assessment Plan”), is fair and reasonable and is made on the basis of special benefits accruing to each parcel because of the Authorized Improvements, and results in the imposing of equal shares of the Costs on property that is similarly benefitted, and the apportionment of the Costs between the City and the area to be assessed is based on reasonable classifications and formulas; and

WHEREAS, the 2025 Service and Assessment Plan, which has been amended from the preliminary service and assessment plan attached to the Cost Determination Resolution approved by the City Council on October 1, 2025, covers a period of at least five years, defines the District’s annual indebtedness and projected Costs, and states provisions relating to due and delinquency dates for the Improvement Area #1 Assessments, interest on Annual Installments, and procedures in connection with the imposition and collection of the Improvement Area #1 Assessments; and

WHEREAS, the Landowner, who as of November 5, 2025, is the owner of more than 73.33% of the privately-owned and taxable property located within the District, and who is to be assessed pursuant to this Ordinance, executed and presented to the City Council on November 5,

2025, a Landowner Agreement (the “Landowner Agreement”) in which said owner acknowledges, accepts, and approves of, without reservation, the 2025 Service and Assessment Plan, the Improvement Area #1 Assessment Roll, this Ordinance, and the levy of the Improvement Area #1 Assessments against their property located within the District, and agrees to pay the Improvement Area #1 Assessments when due and payable; and

WHEREAS, the City Council finds and determines that the Improvement Area #1 Assessment Roll, and the 2025 Service and Assessment Plan in a form substantially similar to the attached *Exhibit A*, should be approved, that the Landowner Agreement in a form substantially similar to the attached *Exhibit B* should be approved, and that the Improvement Area #1 Assessments should be levied as provided in this Ordinance and the 2025 Service and Assessment Plan.

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

Section 1. Findings. The findings and recitations set out in this Ordinance are found to be true and correct and they are hereby adopted by the City Council and made a part hereof for all purposes.

Section 2. Public Hearing. The action of the City Council holding and closing the public hearing in these proceedings is hereby ratified and confirmed.

Section 3. Terms. Terms not otherwise defined herein are defined in the 2025 Service and Assessment Plan substantially in the form attached hereto as *Exhibit A* (2025 Service and Assessment Plan).

Section 4. Service and Assessment Plan. The 2025 Service and Assessment Plan is hereby approved as the service and assessment plan for the District in substantially the form attached to this Ordinance and the Mayor, the Mayor Pro Tem, the Finance Director, and the City Manager are hereby authorized to make such non-substantive changes to the 2025 Service and Assessment Plan as may be required to give full effect to this Ordinance and to the 2025 Service and Assessment Plan attached hereto.

Section 5. Assessment Rolls. The Improvement Area #1 Assessment Roll, attached as Exhibit F-1 to the 2025 Service and Assessment Plan, is hereby approved as the Assessment Roll of the District.

Section 6. Levy and Payment of Special Assessments for Costs of Improvement Project. (a) The City Council hereby levies an assessment on each tract of property located within the District, except for the Non-Benefitted Property, as shown and described on the 2025 Service and Assessment Plan and the Improvement Area #1 Assessment Roll, in the respective amounts shown on the Assessment Roll. There is further levied and assessed against each tract of property located within the District, except for the Non-Benefitted Property, additional annual assessments for the Annual Collection Costs and the Additional Interest, as described in the 2025 Service and Assessment Plan, which shall be part of the Special Assessment and the Annual Installment. The

amount of the Annual Installment shall be reviewed and determined annually by the City Council following the City Council's annual review of the 2025 Service and Assessment Plan for the District. Pursuant to Section 372.015(d), the amount of assessment for each property owner may be adjusted following the annual review of the 2025 Service and Assessment Plan.

(b) The levy of the Improvement Area #1 Assessments related to the District shall be effective on the date of execution of this Ordinance levying assessments and strictly in accordance with the terms of the 2025 Service and Assessment Plan.

(c) The collection of the Improvement Area #1 Assessments shall be as described in the 2025 Service and Assessment Plan.

(d) Each Improvement Area #1 Assessment may be paid in Annual Installments pursuant to the terms of the 2025 Service and Assessment Plan.

(e) Each Improvement Area #1 Assessment may be paid in advance in any amount as provided in subsection 372.018(f) of the PID Act and Section VII.E of the 2025 Service and Assessment Plan.

(f) Each Improvement Area #1 Assessment shall bear interest at the rate or rates specified in the 2025 Service and Assessment Plan.

(g) Each Annual Installment shall be collected each year in the manner set forth in the 2025 Service and Assessment Plan.

(h) The Annual Installments for Improvement Area #1 Assessed Properties shall be calculated pursuant to the terms of the 2025 Service and Assessment Plan.

Section 7. Method of Assessment. The method of apportioning the Costs is set forth in the 2025 Service and Assessment Plan.

Section 8. Penalties and Interest on Delinquent Special Assessments. Delinquent Special Assessments shall be subject to the penalties, interest, procedures, and foreclosure sales set forth in the 2025 Service and Assessment Plan. The Improvement Area #1 Assessments shall have lien priority as specified in the PID Act and the 2025 Service and Assessment Plan.

Section 9. Lien Property. (a) As provided in that certain Landowner Agreement between the City and the Landowner, dated November 5, 2025, the City Council and the Landowner intend for the obligations, covenants and burdens on the Landowner of the Assessed Property, including without limitation such Landowner's obligations related to payment of the Improvement Area #1 Assessments and the Annual Installments, to constitute a covenant running with the land. The Improvement Area #1 Assessments and the Annual Installments levied hereby shall be binding upon the Landowner, and their respective transferees, legal representatives, heirs, devisees, successors and assigns in the same manner and for the same period as such parties would be personally liable for the payment of ad valorem taxes under applicable law. Improvement Area

#1 Assessments shall have lien priority as specified in the PID Act and the 2025 Service and Assessment Plan.

(b) The Improvement Area #1 Assessments and Annual Installments levied and assessed against the property within the District as provided in this Ordinance and the 2025 Service and Assessment Plan, together with reasonable attorney's fees and costs of collection, if incurred, are hereby declared to be and are made a lien upon each tract of property within the District against which the same are levied and assessed, and a personal liability and charge against the real and true owners of each such tract, including the successors and assigns, whether such owners be named herein or not, and said liens shall be and constitute the first enforceable lien and claim against the lot on which such assessments are levied, and shall be a first and paramount lien thereon, superior to all other liens and claims except state, county, school district and City ad valorem taxes.

Section 10. Approval of Landowner Agreement. That certain Landowner Agreement (the "Landowner Agreement"), between the City and the Landowner is hereby authorized and approved in the substantially final form attached hereto as *Exhibit B* and incorporated herein as a part hereof for all purposes and the Mayor or Mayor Pro Tem of the City is hereby authorized and directed to execute and deliver such Landowner Agreement with such changes as may be required to carry out the purposes of this Ordinance. The Mayor's or Mayor Pro Tem's signature on the Landowner Agreement may be attested by the City Secretary.

Section 11. Appointment of Administrator and Collector of Assessments.

(a) P3Works, LLC is hereby appointed and designated as the initial Administrator of the 2025 Service and Assessment Plan and of Improvement Area #1 Assessments levied by this Ordinance. The Administrator shall perform the duties of the Administrator described in the 2025 Service and Assessment Plan and in this Ordinance. The Administrator's fees, charges and expenses for providing such service shall constitute an Administrative Expense.

(b) The Finance Director of the City or her designee is hereby appointed as the temporary collector of the Improvement Area #1 Assessments. The Finance Director or her designee shall serve in such capacity until such time as the City shall arrange for the collection duties to be performed by the Travis County Tax Office or any other qualified collection agent selected by the City.

Section 12. Applicability of Tax Code. To the extent not inconsistent with this Ordinance, and not inconsistent with the PID Act or the other laws governing public improvement districts, the provisions of the Texas Tax Code governing enforcement of ad valorem tax liens shall be applicable to the imposition and collection of Improvement Area #1 Assessments by the City, and the Texas Tax Code shall otherwise be applicable to the extent provided by the PID Act.

Section 13. Severability. If any provision of this Ordinance or the application of any provision to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared to be severable.

Section 14. Filing in Land Records. The City Secretary is directed to cause a copy of this Ordinance, including the 2025 Service and Assessment Plan and the Improvement Area #1 Assessment Roll, to be recorded in the real property records of Travis County by no later than the seventh day after the City Council passes and approves this Ordinance. The City Secretary is further directed to similarly file each Annual Service Plan Update approved by the City Council by no later than the seventh day after the City Council adopts each Annual Service Plan Update.

Section 15. Effective Date. This Ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the PID Act, and it is accordingly so ordained.

Section 16. Open Meetings. It is hereby officially found and determined that the meeting at which this Ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act.

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PASSED AND APPROVED on this 5th day of November 2025.

ATTEST:

THE CITY OF MANOR, TEXAS

Lluvia T. Almaraz, City Secretary

Dr. Christopher Harvey, Mayor

ACKNOWLEDGEMENT

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on this ____ day of _____, 2025,
by Dr. Christopher Harvey, Mayor of the City of Manor, Texas, a Texas home rule municipal
corporation, on behalf of said corporation.

(SEAL)

Notary Public, State of Texas

EXHIBIT A

**2025 SERVICE AND ASSESSMENT PLAN FOR THE
MUSTANG VALLEY PUBLIC IMPROVEMENT DISTRICT**

EXHIBIT B

LANDOWNER AGREEMENT