

## **Manor Heights Project**

### **Update to City Council (9/16/20 City Council Meeting)**

#### **Public Improvement District**

The Manor Heights Public Improvement District (PID) was established through the City Council's adoption of Resolution 2018-10 (the "Creation Resolution") on November 7, 2018. A portion of Old Kimbro Road (approximately 3 acres) was omitted from the boundaries of the Manor Heights PID boundaries because it is public right of way. A new PID petition has been submitted by Forestar (USA) to allow for the inclusion of the 3 acres into the Manor Heights PID boundaries. The Developer contemplates requesting the right of way be vacated and conveyed to the Developer pursuant to terms more particularly set forth in the 2<sup>nd</sup> Amendment to the Development Agreement (discussed below) which will be brought to City Council for consideration in the next month. The land plan for this Project contemplates that some of the 3 acres will be included within single family lots so it is necessary to include this additional land within the Manor Heights PID boundaries so that all property similarly situated within the PID may be properly assessed at a future date.

The Developer continues to work with City staff and the City's PID consultants on the PID financing structure and documents. It is anticipated that the PID Financing Agreement and draft Service and Assessment Plan will be brought to City Council for consideration later this year. PID Bonds are expected to be issued in the first quarter of 2021. The Developer has and will continue to expend its own funds to design and construct project infrastructure prior to PID bond issuance and continues to pay all of the City's PID consultants for all of the work performed to date.

#### **PUD Zoning**

The majority of the Project is zoned PUD. Approximately 127 acres of the Project commonly referred to as "Manor Heights South" is zoned R-2. In order to provide uniform development standards across the entire Project, the Developer is seeking to have Manor Heights South rezoned PUD. This rezoning will ensure consistent development for the single family homes for the entire Project.

Due to time sensitive issues with various infrastructure development and other matters, the 2<sup>nd</sup> Amendment to the Development Agreement (discussed below) will need to be brought to City Council for consideration before the rezoning of Manor Heights South can make it through the normal City hearing process. As a result, if the rezoning is approved, there will need to be a 3<sup>rd</sup> Amendment to the Development Agreement brought to City Council to then reflect the updated zoning for this portion of the Project in November.

#### **Development Agreement – Amendments**

Now that commencement of construction of the Project is imminent and the City is obtaining bids for the first phase of the WWTP, the Development Agreement needs to be updated to reflect "current conditions". The 2<sup>nd</sup> Amendment to the Development Agreement provides additional detail on construction of wastewater infrastructure and roadway infrastructure and sets forth, among other things, phased construction of such infrastructure, how infrastructure will be paid for between anticipated PID

bond proceeds and Developer funds, and fiscal surety to be provided to City to insure completion of said improvements.

Should the rezoning for Manor Heights South be approved, the 3<sup>rd</sup> Amendment to the Development Agreement will simply add in the concept that Manor Heights South is now part of the PUD and subject to the same development regulations as the remainder of the Project.