

MEMORANDUM

TO: Claire Powell, City Manager

FROM: Marichelle Samples, Director of Economic Development

DATE: July 7, 2025

SUBJECT: **Consideration of an Ordinance of the City of Lewisville Approving the 2025-26 Annual Service Plan Update to the Service and Assessment Plan and Assessment Roll for Public Improvements for the Lakeside Crossing Public Improvement District; and Providing a Repealer, Severability, and an Effective Date.**

BACKGROUND

Chapter 372 of the Texas Local Government Code (“PID Act”) authorizes the creation of a Public Improvement District (“PID”) to provide a tool by which a city can levy and collect special assessments on property that is within the city to finance public improvements within the district. The city may issue bonds with a pledge of the assessments. On March 20, 2023, the City created the Lakeside Crossing Public Improvement District (“District”) after a petition requesting the establishment of the District was accepted and a public hearing related to the advisability of proposed improvements was held. The PID is located within the City along McGee Lane north of Justin Road and west of Interstate Highway 35E. It encompasses approximately 25.546 acres and at completion will consist of residential and commercial uses.

On October 2, 2023, the City Council approved an ordinance accepting and approving a Service and Assessment Plan (“SAP”) and Assessment Roll for the authorized improvements within the District and an ordinance approving and authorizing the issuance and sale of the City of Lewisville Special Assessment Revenue Bonds, Series 2023 for the Lakeside Crossing PID. The Service and Assessment Plan identifies the public improvements to be provided by the PID, the cost of the public improvements, and the manner of assessing the property in the PID for the costs of the public improvements. The Assessment Roll identifies the assessment on each parcel, based on the method of assessment identified in the Plan.

Pursuant to the PID Act, the 2023 SAP must be reviewed and updated annually. Calculation of the assessments and annual installments for a lot or parcel shall begin as of September 1 and are due each January 31st following the one-year anniversary of the final plan approval for that lot or parcel.

ANALYSIS

The authorized improvements listed in the 2023 SAP for the District are currently under construction and projected to be completed in the second quarter of 2025. The budget of \$6,594,526.80 for the authorized improvements is as shown in the attached Lakeside Crossing Public Improvement District 2025 Annual Service Plan Update (“Annual Service Plan Update”). The plan has been reviewed and updated for the purpose of determining the annual budget for improvements for the coming year.

The Annual Service Plan Update also includes the annual indebtedness and projected costs over a period of not less than five years, as required by the PID Act, and the annual installment due January 31, 2026. The total Annual Installment due on January 31, 2026, is \$753,904.73, and is composed of the following (terms not defined herein are defined the Annual Service Plan Update):

1. **Principal and Interest** – \$632,000 allocated toward debt service;
2. **Delinquency and Prepayment Reserve** – Additional Interest amount of \$34,530 will continue to be paid yearly until the reserve requirement of \$383,625 is met.
3. **Annual Collection Costs** – Administrative and collection costs associated with the District will be paid on a pro rata basis by each Parcel, based on the proportion of outstanding Assessment attributed to that Parcel. The total amount budgeted for Annual Collection Costs is \$87,374.73.

The City’s PID Administrator (P3Works, LLC) updates the SAP each year and each year’s annual installment of the assessments will be billed on property tax bills and payable in the same manner as property taxes.

CITY STAFF’S RECOMMENDATION

That the City Council approve the ordinance as set forth in the caption above.