

City of Mesquite, Texas

Legislation Text

File #: 19-4026, **Version:** 1

A resolution supporting legislation to create Spradley Farms Improvement District of Kaufman County.

As presented at the March 4, 2019 City Council pre-meeting, City staff has worked with the Developer to refine the form of legislation intended to create the Spradley Farms Improvement District. Specific powers related to eminent domain, 4B sales tax, navigation districts, police and fire, and the ability to create reinvestment zones were taken out, and what remains is a hybrid municipal management district with powers and authority under Chapter 375 of the Texas Local Government Code and municipal utility district powers under Chapters 49 and 54 of the Texas Water Code.

The five-member governing board of directors of the District would have the authority to issue road and utility bonds, impose fees, levy a District maintenance and operations tax above the City's property tax rate, and assess property within the District in a manner similar to a PID. Any road and utility bond issues would be subject to District voter approval, and utility bond issues would require approval by the Texas Commission on Environmental Quality. The District would also be subject to all of the City's platting and land use regulations.

The proposed legislation would create the District and authorize the District to provide financing for the construction of water, sanitary sewer, drainage, roadways and other public improvements, in addition to District maintenance and operation obligations, subject to approval by District voters.

The City Council can set limitations on District bonds, including a cap on the District property tax, and can specify development standards and the financing of District improvements through a mutually approved and accepted *Financing and Operating Agreement*. If the City Council does not execute this Agreement by December 31, 2021, then the District and all of its powers and authority dissolves. The City Council may also dissolve the District at any time after the District is created, but the City would have to assume all assets, liabilities and obligations of the District, including any outstanding debt in that instance.

The statutory notice of intent to introduce the bill was published on Thursday, March 7, 2019, in the *Forney Messenger*. The bill attached to the resolution was sent to the appropriate governmental officials and agencies as required by law, but the bill will not be filed at the Legislature until the City Council passes the attached resolution supporting the creation of the District. The City Council can also withdraw its support of the bill at any time during the legislative process, especially if the legislation is substantially amended from the version attached to the proposed resolution.

Recommended/Desired Action

The Developer will provide the names of recommended board members for Friday's Council mail packet. If Council has no objections to the initial board of directors, City staff recommends approval of the resolution.

Attachment(s)

Resolution

Drafter

Ted Chinn

Head of Department

Cliff Keheley