

City of Mesquite, Texas

Legislation Text

File #: 19-4074, **Version:** 1

A resolution supporting legislation to create “Spradley Farms Improvement District of Kaufman County” to include approximately 621.998 acres of land generally located south of Interstate 20, north and east of FM 2757, and north and west of Union Hill Road, in Kaufman County, Texas, and being located within the corporate limits of the City of Mesquite.

(This item was postponed at the March 18, 2019, City Council meeting.)

As presented at the March 4, 2019, and March 18, 2019, City Council Pre-Meetings, 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, public safety, 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.

The statutory notice of intent to introduce the bill was published on Thursday, March 7, 2019, in the *Forney Messenger*. This bill would 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, particularly if the legislation is substantially amended from the version attached to the proposed resolution.

This item was postponed at the March 18 Council meeting in order to allow the Developer’s consultant to meet with State legislators regarding the proposed bill and allow an opportunity for legislative input from potential bill sponsors.

Recommended/Desired Action

City staff recommends approval of the resolution.

Attachment(s)

Resolution

Drafter

Ted Chinn

Head of Department

Cliff Keheley