

# City of Mesquite, Texas

## Legislation Text

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**File #:** 21-5292, **Version:** 2

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A resolution setting a public hearing under Section 372.009 of the Texas Local Government Code for the creation of the Solterra Public Improvement District (PID) to include approximately 1,424.398 acres of land generally located southwest of East Cartwright Road and both northwest and southeast of Faithon P. Lucas, Sr., Boulevard within the corporate limits of the City of Mesquite, Texas, and authorizing the issuance of notice by the City Secretary of Mesquite, Texas, regarding the public hearing.

On October 5, 2020, the City Council adopted Ordinance No. 4818 to change the zoning of the large undeveloped property in southeast Mesquite, formerly known as “Lucas Farms,” to Planned Development to allow Huffines Communities to develop a mixed-use residential community called *Solterra* in several phases over the next 20 years. On October 19, 2020, the City Council passed Resolution No. 53-2020 authorizing the City Manager to finalize and execute a development agreement with Huffines Communities to develop Solterra, which was subsequently executed by the Developer on December 14, 2020.

The Development Agreement requires the City to create a Public Improvement District (PID) to finance the costs of certain authorized public improvements that confer a special benefit to property located within the PID as authorized by State law. The City will levy assessments based on residential lot type in an amount sufficient to pay the debt service on special assessment revenue bonds issued by the City to finance a portion of the authorized improvements. The Development Agreement caps the total PID bond authorization at \$295 million, and the total amount of reimbursement to the Developer for the public improvement costs from any revenue source including PID bond proceeds is capped at \$200,849,065.00. The City’s effective TIRZ participation rate will not exceed 60 percent and TIRZ revenues will be used to reduce the property owner assessments used to pay off the PID bond debt service. Any excess TIRZ revenues will be applied to TIRZ project costs and to help fund a portion of Lawson Road.

PID bonds will never constitute an indebtedness or general obligation of the City, but are special obligations of the City payable solely from the assessments on each property owner within the PID.

On February 5, 2021, a majority of property owners within the proposed Solterra PID filed a Petition with the City Secretary requesting the City Council to call a public hearing on the advisability of the proposed authorized improvements outlined in the Petition and as more fully described and defined in the Solterra Development Agreement.

This resolution calls for a public hearing to be held on April 5, 2021, to consider creation of the Solterra PID.

### **Recommended/Desired Action**

City staff recommends approval of the resolution.

### **Attachment(s)**

Solterra PID Petition  
Resolution

**Drafter**

Ted Chinn

**Head of Department**

Ted Chinn