



**AGENDA**  
**JUNE 4, 2019**  
**LAVON CITY COUNCIL**  
**REGULAR MEETING – EXECUTIVE SESSION**  
**CITY HALL, 120 SCHOOL ROAD, LAVON, TEXAS**  
**6:00 PM**

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**1. PRESIDING OFFICER TO CALL THE MEETING TO ORDER AND ANNOUNCE THAT A QUORUM IS PRESENT**

**2. EXECUTIVE SESSION**

Pursuant to the following designated sections of Texas Government Code, Annotated, Subchapter 551, the City Council may enter into executive session (closed meeting) to discuss the following:

- a) Section 551.071: Consultation with City Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter: (i) Update on Heritage No. 1 Tax Increment Reinvestment Zone; ii) Update on LakePointe Public Improvement District and iii) Abston Hills Development Agreement.
- b) Section 551.087: Deliberation Regarding Economic Development Negotiations; Closed Meeting (1) to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or (2) to deliberate the offer of a financial or other incentive to a business prospect described by Section 551.087(1).

**3. RECONVENE FROM EXECUTIVE SESSION**

Consider any action necessary as a result of each item listed in executive session.

**4. PLEDGE OF ALLEGIANCE AND INVOCATION**

**5. CITIZENS COMMENTS**

*Citizens may comment on items that are not on the agenda (3-minute time limit/person). The only response can be to request the items to be placed on a future agenda for discussion and consideration.*

**6. ITEMS OF INTEREST/COMMUNICATIONS**

*Members may identify community events, functions and other activities.*

**7. CONSENT AGENDA**

*Consent items are considered routine or non-controversial and will be voted on in one motion unless a separate discussion is requested by a Member.*

- A. Approve the minutes of the May 21, 2019 meeting.

**8. ITEMS FOR CONSIDERATION**

- A. Public Hearing, discussion and action regarding the request of First Bank Farmersville dba Independent Bank, the owner of certain property to voluntarily annex property described as W. H. Moore Survey, Abstract 063, Sheet 2, Tract 13 situated at 1009 S. State Highway 78, consisting of the balance of 1.684 acres in Collin County, Texas into the City of Lavon. *This is the second of two public hearings.*

- 1) Presentation of request.
- 2) **PUBLIC HEARING** to receive comments regarding the request.
- 3) Discussion and action regarding the request and accompanying Ordinance No. **2019-06-01**.

Lavon City Hall will provide reasonable accommodations for persons attending meetings. Please contact the City Secretary at 972-843-4220 no later than 48 hours prior to a meeting if you require special assistance | WiFi password: Guest2014

- B.** Public hearing, discussion and action regarding the application of First Bank Farmersville dba Independent Bank for a zoning change from Temporary Agricultural (A) to Retail (R) zoning district for newly annexed property at 1009 S. SH 78, consisting of the remainder of 1.684 acres described as Abstract A0638 in the William H. Moore Survey, Tract 13, (CCAD Prop ID 2664083) situated northwest of the intersection of SH 78 and SH 205.
- 1) Presentation of request.
  - 2) **PUBLIC HEARING** to receive comments regarding the request.
  - 3) Discussion and action regarding the request and accompanying Ordinance No. **2019-06-02**.
- C.** Discussion and action regarding Resolution No. **2019-06-01** authorizing the Mayor to execute a Municipal Services Agreement with LDC Lavon, L.L.C., for the purpose of offering municipal services for property consisting of 200.9089 acres described as Samuel M. Rainer Survey, Abstract No. 740, (CCAD Property ID 2663916), southeast of the intersection of SH 78 and FM 6, Collin County, Texas and the portion of FM 6 and the right-of-way adjacent to and abutting the property to be annexed into the corporate limits of the City of Lavon, Texas; calling for two public hearings.
- D.** Discussion and action regarding the preliminary plat of the LakePointe addition on 200.9089 acres of land situated in the Samuel M. Rainer Survey, Abstract No. 740, (CCAD Property ID 2663916), southeast of the intersection of SH 78 and FM 6, Collin County, Texas and consisting of 700 residential lots and 1 retail lot.
- E.** Discussion and action regarding Resolution No. **2019-06-02** determining the costs of certain public improvements to be financed by the LakePointe Public Improvement District; approving a preliminary service plan and assessment plan, including proposed assessment rolls; directing the filing of the proposed assessment rolls with the city secretary to make available for public inspection; noticing a public hearing for July 2, 2019 to consider an ordinance levying assessments on property located within the Lakepointe Public Improvement District; directing city staff to publish and mail notice of said public hearing; and resolving other matters incident and related thereto.
- F.** Discussion and action regarding Resolution No. **2019-06-03** authorizing the Mayor to execute a professional services agreement with P3 Works L.L.C. for the provision of public improvement district administration and service and assessment plan consultant services for the Lakepointe Public Improvement District; and providing an effective date.
- G.** Discussion and action regarding Resolution No. **2019-06-04** authorizing the Mayor to execute a professional services agreement with Ideation Planning L.L.C. for professional and strategic planning and engagement services; and providing an effective date.
- H.** Discussion and action regarding Ordinance No. **2019-06-03** amending the Fee Schedule in Appendix A of the Code of Ordinances of the City of Lavon, Texas as adopted by Ordinance No. **2018-09-04** and amended; providing savings, repealing, and severability clauses; and providing an effective date.
- I.** Discussion and action regarding Ordinance No. **2019-06-04** amending Chapter 12, “Utilities”, Article 12.03, “Sewer Service”, to amend the Rules, Regulations, and Procedures for Sewer Services provided by the City of Lavon; providing a penalty clause; providing for severability, savings and repealing clauses; and providing for an effective date of the ordinance.
- J.** Discussion and action regarding Ordinance No. **2019-06-05** Amending Chapter 12, “Utilities”, by adding Article 12.07 to be entitled “Pro Rata Fees, Extension Of Facilities And Sewer Connection Fees”, to adopt Rules, Regulations, Procedures, Rates And Fees For Wastewater Utility Services Provided by the City of Lavon, including the adoption of pro rata fees and the subsequent reimbursement to developers for their pro rata share; providing for severability, savings and repealing clauses; and providing for an effective date.

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K. Discussion and action regarding Ordinance No. 2019-06-06 granting to Farmers Electric Cooperative, Inc., its successors and assigns, an electric power franchise to use the present and future streets, alleys, highways, public utility easements, public ways and public property of the City of Lavon, Texas, providing for compensation therefor, providing for an effective date and a term of said franchise agreement, providing for written acceptance of this franchise, providing for the repeal of all existing franchise ordinances to farmers electric cooperative, its predecessors and assigns, and finding that the meeting at which this ordinance is passed is open to the public.

**9. CITY COUNCIL TO SET FUTURE MEETINGS AND AGENDAS**

*Council Members and staff may request items be placed on a future agenda or request a special meeting.*

- June 18, 2019

**10. PRESIDING OFFICER TO ADJOURN THE CITY COUNCIL MEETING**

1. Notice is hereby given that members of the Lavon Economic Development Corporation Board, Lavon Planning and Zoning Commission, Parks and Recreation Board, and Reinvestment Zone #1 (TIF) Board of Directors may be in attendance at the Lavon City Council Meeting.
2. The Council may vote and/or act upon each of the items listed in this Agenda except for discussion items.
3. The Council reserves the right to meet in Executive Session closed to the public at any time in the course of this meeting to discuss matters listed on the agenda, as authorized by the Texas Open Meetings Act, Texas Government Code, Chapter 551, including §551.071 (private consultation with the attorney for the City); §551.072 (discussing purchase, exchange, lease or value of real property); §551.074 (discussing personnel or to hear complaints against personnel); and §551.087 (discussing economic development negotiations). Any decision held on such matters will be taken or conducted in Open Session following the conclusion of the Executive Session.

This is to certify that this Agenda was duly posted at City Hall and on the City's website at [www.cityoflavon.com](http://www.cityoflavon.com) on or before 6:00 PM on May 31, 2019.



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Kim Dobbs, City Administrator | City Secretary

## Camp 9-1-1

is a FREE 1/2 day camp that provides 3rd through 5th graders with the knowledge, skills and understanding of how to handle a variety of emergency situations calmly and effectively in the absence of adults.

Lavon Police Department, Lavon Volunteer Fire Department, Collin County Dispatch and City of Lavon Public Works are some of the agencies participating in this informational and fun camp.

**Camp 9-1-1 is for incoming 3rd - 5th graders. Free t-shirt, goody bag and lunch are provided.**

**Registration deadline: May 30, 2019. Space is limited, contact Lavon City Hall 972-843-4220 for more information.**



# "Camp 911"



June 11, 2019

9am-1pm at City Hall  
120 School Rd.

All Campers must  
pre-register to participate.



# Babysitter Training Course



This Course includes:

- \*Leadership Skills
- \*Basic Childcare
- \*Safety while supervising Children
- \*The business of babysitting
- \*What to do in an emergency
- \* First Aid
- \*CPR Certification

Lavon Police Department and Lavon Volunteer Fire Department will be instructing this class.



Registration is limited, deadline May 31, 2019



Wednesday, June 5, 2019 9am-2:30 (lunch provided)  
Thursday, June 6, 2019 8am-Noon  
Cost: \$40  
Boys and Girls ages 11-16  
Class held at the Lavon Emergency Operations Center  
501A Lincoln Avenue, Lavon Tx 75166  
You must pre-register for this class.  
Contact Lavon City Hall 972-843-4220





**MINUTES  
MAY 21, 2019  
LAVON CITY COUNCIL  
REGULAR MEETING  
CITY HALL, 120 SCHOOL ROAD, LAVON, TEXAS  
7:00 P.M.**

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ATTENDING: VICKI SANSON, MAYOR  
JOHN KELL, PLACE 1  
KAY WRIGHT, MAYOR PRO TEM, PLACE 3  
TED DILL, PLACE 4  
MINDI SERKLAND, PLACE 5

ABSENT: MIKE COOK, PLACE 2

**1. MAYOR SANSON CALLED THE MEETING TO ORDER AT 7:02 P.M. AND ANNOUNCED A QUORUM PRESENT.**

**2. MAYOR SANSON LED THE RECITATION OF THE PLEDGE OF ALLEGIANCE AND KAY WRIGHT DELIVERED THE INVOCATION.**

**3. PRESENTATIONS**

A. Mayor Sanson presented a proclamation to Matt Jones, Fire Inspector and Wes Caperton, Building Inspector declaring May 2019 as Building Safety Month.

B. Mayor Sanson presented a proclamation to Sonny Mancias, Director of Public Works in honor of Public Works Week, May 19-25, 2019.

**4. CITIZENS COMMENTS**

Ivone Bender, 626 Langdon St, provided comments regarding drainage in and around her backyard area. Ms. Dobbs suggested that they contact one another on Wednesday to discuss the matter.

**5. ITEMS OF INTEREST/COMMUNICATIONS**

- June 5 & 6 Babysitter Training Course

- June 11 Camp 911

**6. CONSENT AGENDA**

**A. Approve the minutes of the May 7, 2019 meeting.**

**B. Accept the Heritage Public Improvement District #1 Assessment Report Summary dated 4/30/2019 and authorize the payment of invoices included therein.**

**MOTION: APPROVE THE CONSENT AGENDA.**

MOTION MADE: SERKLAND

SECONDED: DILL

APPROVED: UNANIMOUS

Absent: Cook

**7. ITEMS FOR CONSIDERATION**

**A. Public Hearing regarding the request of the owner of certain property to voluntarily annex property described as W.H. Moore Survey, Abstract 063, Sheet 2, Tract 13 situated at 1009 S. State Highway 78, consisting of the balance of 1.684 acres in Collin County, Texas into the City of Lavon.**

**Presentation of request.**

Ms. Dobbs provided information regarding the request that the City received from landowner First Bank Farmersville dba as Independent Bank for annexation for the balance of 1.684 acres of land adjacent to the city limits on April 8, 2019 and noted this is the first of two scheduled public hearings.

**PUBLIC HEARING to receive comments regarding the request.**

Mayor Sanson opened the public hearing at 7:16 p.m. and invited comments in favor of or opposition to the request. No comments were offered. Mayor Sanson closed the public hearing at 7:17 p.m. Mayor Sanson stated there would be a second public hearing on June 4, 2019. No action was taken.

**B. Discussion and action regarding the final plat of the Traditions, Phase 2 addition on 30.485 acres of land situated in the Drury Anglin Survey, Abstract No. 2, (CCAD Property ID 1250096), south of the intersection of Geren Dr. and Windmill Dr., Collin County, Texas and consisting of 111 residential lots.**

Ms. Dobbs provided information regarding the final plat for a residential development consisting of 111 residential lots and 2 common area lots. Ms. Dobbs stated that at the last City Council meeting a Facilities Development Agreement was approved for the development. City engineer Mark Hill, Freeman Millican Inc., pointed out that streetlights would be at each intersection and the mailbox cluster would not be lit independently. The developer and consulting engineer offered to answer questions regarding the application.

**MOTION: APPROVE THE FINAL PLAT OF THE TRADITIONS, PHASE 2 ADDITION ON 30.485 ACRES OF LAND SITUATED IN THE DRURY ANGLIN SURVEY, ABSTRACT NO. 2 (CCAD PROPERTY ID 1250096), SOUTH OF THE INTERSECTION OF GEREN DR. AND WINDMILL DR., COLLIN COUNTY, TEXAS AND CONSISTING OF 111 RESIDENTIAL LOTS.**

MOTION MADE: KELL  
SECONDED: WRIGHT  
APPROVED: UNANIMOUS  
Absent: Cook

**C. Discussion and action regarding Resolution 2019-05-04 authorizing the Mayor to execute a contract with Community Waste Disposal, LP for the collection of solid waste and recyclables; and declaring an effective date.**

Ms. Dobbs reviewed the proposed contract that was prepared in accordance with City Council direction and city attorney involvement. It was noted that the rates that CWD charge the City for the service would be increased in July but that the rates the city charges customers would not be increased concurrently. The City Council directed that customer rates be reviewed in conjunction with the annual budget.

**MOTION: APPROVE RESOLUTION 2019-05-04 AUTHORIZING THE MAYOR TO EXECUTE A CONTRACT WITH COMMUNITY WASTE DISPOSAL, LP FOR THE COLLECTION OF SOLID WASTE AND RECYCLABLES; AND DECLARING AN EFFECTIVE DATE.**

MOTION MADE: WRIGHT  
SECONDED: SERKLAND  
APPROVED: UNANIMOUS  
Absent: Cook

**D. Discussion and action regarding Ordinance No. 2019-05-01 amending Article 1.04 "Taxation" of the Code of Ordinances to authorize the levy of tax on all telecommunications services sold in the city; providing a cumulative clause; providing a severability clause; providing for publication and providing an effective date.**

Ms. Dobbs reviewed the proposed ordinance and information provided from the Texas State Comptroller's Office. Mike Smith, 649 Weston Way, described his experience with the assessment

process in other locations. Bill Evans, 587 Weston Way inquired about the rate and was informed the regular city sales tax rate of 2% would be assessed on local in state calls.

**MOTION: AMEND ARTICLE 1.04 "TAXATION" OF THE CODE OF ORDINANCES TO AUTHORIZE THE LEVY OF TAX ON ALL TELECOMMUNICATIONS SERVICES SOLD IN THE CITY; PROVIDING A CUMULATIVE CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR PUBLICATION AND PROVIDING AN EFFECTIVE DATE.**

MOTION MADE: WRIGHT  
SECONDED: SERKLAND  
FOR: WRIGHT, SERKLAND, SANSON  
OPPOSED: KELL, DILL  
Absent: Cook  
MOTION PASSED 3-2.

- E. Discussion and action regarding Ordinance No. 2019-05-03 amending Ordinance No. 2018-09-02 that approved and adopted a budget for the City for the fiscal year October 1, 2018 through September 30, 2019, as amended, to amend adopted revenues and expenditures of the budget; and providing an effective date.**

Ms. Dobbs reviewed the previous budget amendment, current revenue and expenditure projections and the process to consolidate the Fire Marshal and Fire Operations budgets into a single departmental budget. Ms. Serkland expressed her preference for infrequent amendments to the budget.

**MOTION: APPROVE ORDINANCE NO. 2019-05-03 AMENDING ORDINANCE NO. 2018-09-02 THAT APPROVED AND ADOPTED A BUDGET FOR THE CITY FOR THE FISCAL YEAR OCTOBER 1, 2018 THROUGH SEPTEMBER 30, 2019, AS AMENDED, TO AMEND ADOPTED REVENUES AND EXPENDITURES OF THE BUDGET; AND PROVIDING AN EFFECTIVE DATE.**

MOTION MADE: DILL  
SECONDED: KELL  
APPROVED: UNANIMOUS  
Absent: Cook

- F. Discussion and action regarding Ordinance No. 2019-05-04 amending Section A4.002, "Garbage Collection Services", Article A4.000, "Utility Services", Appendix A, "Fee Schedule", of the Code of Ordinances of the City of Lavon, Texas; providing savings, repealing, and severability clauses; and providing an effective date.**

Ms. Dobbs explained that the recent contract approved for CWD provided a fee for the collection of "Unusual Accumulation" for residential and commercial customers and it was identified that no such fee was adopted in the FY 2018-19 Fee Schedule. The City Attorney recommended that a corresponding fee be adopted with the contract update.

**MOTION: APPROVE ORDINANCE NO. 2019-05-04 AMENDING SECTION A4.002, "GARBAGE COLLECTION SERVICES", ARTICLE A4.000, UTILITY SERVICES", APPENDIX A, "FEE SCHEDULE", OF THE CODE OF ORDINANCES OF THE CITY OF LAVON, TEXAS; PROVIDING SAVINGS, REPEALING AND SEVERABILITY CLAUSES; AND PROVIDING AN EFFECTIVE DATE.**

MOTION MADE: WRIGHT  
SECONDED: SERKLAND  
APPROVED: UNANIMOUS  
Absent: Cook

- G. Discussion and action regarding Resolution No. 2019-05-05 declaring a police vehicle to be surplus property and authorizing the disposition of same in a manner which is beneficial to the city.**

Chief Jones reviewed the Council's past actions to dispose of a surplus police vehicle in compliance with state law. Ms. Dobbs proposed to process the current surplus vehicle in the same manner.

**MOTION: DISCUSSION AND ACTION REGARDING RESOLUTION NO. 2019-05-05 DECLARING A POLICE VEHICLE TO BE SURPLUS PROPERTY AND AUTHORIZING THE DISPOSITION OF SAME IN A MANNER WHICH IS BENEFICIAL TO THE CITY.**

MOTION MADE: KELL  
SECONDED: SERKLAND  
APPROVED: UNANIMOUS  
Absent: Cook

**8. STAFF REPORTS**

- A. Police Services** – Police Chief Mike Jones provided information and referenced the provided reports regarding traffic stops, calls for service and call breakout information and monthly reserve participation. Chief Jones stated that in the future he will be adding number of investigations and a Criminal Offense Report.
- B. Fire Services** – Fire Chief Danny Anthony provided the LVFD call report which indicated 28 calls for the month of April 2019 and explained the new format of the reports he has provided. Chief Anthony reported on a recent swift water rescue and also stated that the firefighters attended and took a very active role in the Shattered Dreams accident reenactment at Community High School.
- C. Public Works** – Mr. Mancias provided a report regarding general public works and street maintenance including mowing and trash collection and the sewer plant expansion. Mr. Mancias also informed the council of the recent drainage work done by TxDOT near Main St. and Forder Ct. to alleviate drainage along Main.
- D. Administration** – Ms. Dobbs referred to and answered questions regarding the reports provided in the meeting packet including the Financial Outlook; Building Permits Report; CWD Recycling Reports; Collin County Monthly Tax Collection Report; Sales Tax Report; TexStar Newsletter; Investment Report and SH 205 Update.

**9. CITY COUNCIL TO SET FUTURE MEETINGS AND AGENDAS.**

- June 4, 2019 Regular Meeting at 7p.m with Executive Session beginning at 6p.m.

**10. MAYOR SANSON ADJOURNED THE CITY COUNCIL MEETING AT 8:25 P.M.**

**DULY PASSED and APPROVED** by the City Council of Lavon, Texas, on this 4<sup>th</sup> day of June 2019.

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Vicki Sanson  
Mayor

**ATTEST:**

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Kim Dobbs  
City Administrator/City Secretary



# CITY OF LAVON CITY COUNCIL Agenda Brief

MEETING: June 4, 2019

ITEM: 8 - A

**Item:**

Public Hearing discussion and action regarding the request of the owner of certain property to voluntarily annex property described as W. H. Moore Survey, Abstract 063, Sheet 2, Tract 13 situated at 1009 S. State Highway 78, consisting of the balance of 1.684 acres in Collin County, Texas into the City of Lavon. *This is the second of two public hearings.*

- 1) Presentation of request.
- 2) **PUBLIC HEARING** to receive comments regarding the request.
- 3) Discussion and action regarding the request and accompanying Ordinance No. **2019-06-01**

**Background:**

On April 18, 2019, the City received a request from landowner First Bank Farmersville dba as Independent Bank for the voluntary annexation of the balance of 1.684 acres of land adjacent to the city limits. Independent Bank has a facility developed on the property. On May 7, 2019, the City Council approved a Municipal Services Agreement with the property owner which has been fully executed and scheduled two public hearings on the proposed annexation.

***Code Excerpt:***

**TEXAS LOCAL GOVERNMENT CODE**

**SUBCHAPTER C-3. ANNEXATION OF AREA ON REQUEST OF OWNERS:  
TIER 2 MUNICIPALITIES**

Sec. 43.067. APPLICABILITY. This subchapter applies only to a tier 2 municipality.

Sec. 43.0671. AUTHORITY TO ANNEX AREA ON REQUEST OF OWNERS. Notwithstanding Subchapter C-4 or C-5, a municipality may annex an area if each owner of land in the area requests the annexation.

Sec. 43.0672. WRITTEN AGREEMENT REGARDING SERVICES. (a) The governing body of the municipality that elects to annex an area under this subchapter must first

negotiate and enter into a written agreement with the owners of land in the area for the provision of services in the area.

(b) The agreement must include:

(1) a list of each service the municipality will provide on the effective date of the annexation; and

(2) a schedule that includes the period within which the municipality will provide each service that is not provided on the effective date of the annexation.

(c) The municipality is not required to provide a service that is not included in the agreement.

Sec. 43.0673. PUBLIC HEARINGS. (a) Before a municipality may adopt an ordinance annexing an area under this section, the governing body of the municipality must conduct at least two public hearings.

(b) The hearings must be conducted not less than 10 business days apart.

(c) During the first public hearing, the governing body must provide persons interested in the annexation the opportunity to be heard. During the final public hearing, the governing body may adopt an ordinance annexing the area.

(d) The municipality must post notice of the hearings on the municipality's Internet website if the municipality has an Internet website and publish notice of the hearings in a newspaper of general circulation in the municipality and in the area proposed for annexation. The notice for each hearing must be published at least once on or after the 20th day but before the 10th day before the date of the hearing. The notice for each hearing must be posted on the municipality's Internet website on or after the 20th day but before the 10th day before the date of the hearing and must remain posted until the date of the hearing.

Added by Acts 2017, 85th Leg., 1st C.S., Ch. 6 (S.B. 6), Sec. 26, eff. December 1, 2017.

This is the second of two public hearings.

***Staff Notes:***

Approval of the annexation ordinance is recommended.

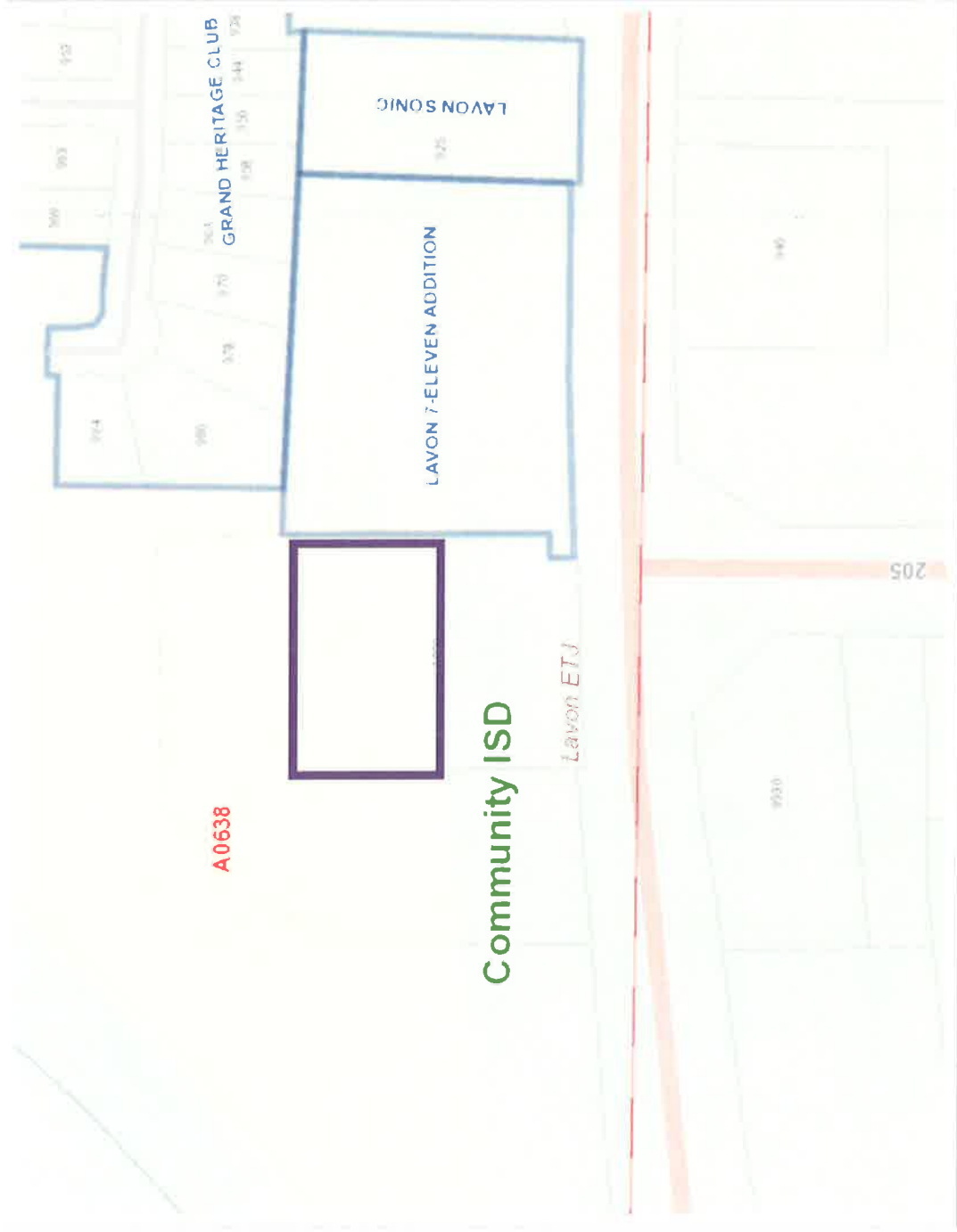
- Attachments:**
1. Location Exhibit
  2. Annexation Timeline
  3. Notice
  4. Ordinance

May 30, 2019

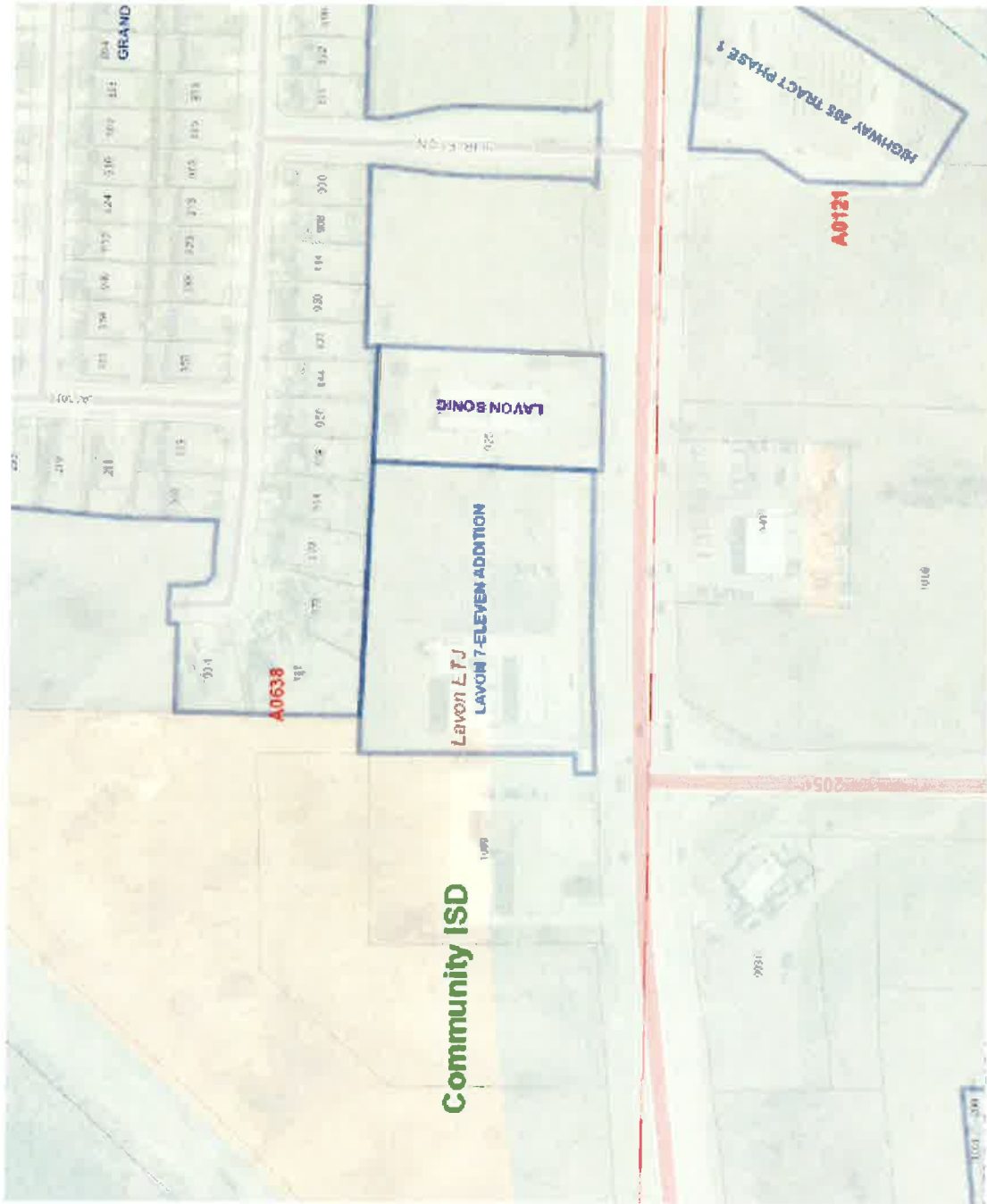


**Independent Bank – Voluntary Annexation**

**Location Exhibit**  
**Independent Bank**  
**Annexation**



**Location Exhibit  
Independent Bank  
Annexation**





**City of Lavon, Texas**  
**Balance of 1.684 acres**

**Tier 2 Municipality - Annexation of Area Exempt  
from the Annexation Plan Requirement  
including Annexation on Request of Area Landowners**

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- Apr 18 Request for Annexation and executed Municipal Service Agreement submitted by landowner to the City
- May 3 Notice of public hearings to newspaper for publication 5/8 and 5/22 (no more than 20 or less than 10 days of hearing)
- May 7 Consider written service agreement
- May 7 Resolution of the City Council regarding municipal services agreement and schedule public hearings. 5/21 and 6/4 (at least 10 business days apart)
- May 8 Publish notice of first hearing. §43.0673 (d). Obtain required affidavit of publication from newspaper.
- Post notice of public hearings on website. §43.0673(d).
- Send written notice to public school district in the area to be annexed. §43.905.
- Send written notice to Collin County, EMS, BCSUD (§ 43.9051)
- May 17 Post notice of first public hearing per Open Meetings Act.
- May 21 Hold first public hearing. §43.0673.
- May 22 Publish notice of second hearing. §43.0673 (d). Obtain required affidavit of publication from newspaper.
- May 31 Post notice of second public hearing per Open Meetings Act.
- May 31 Post notice of annexation ordinance consideration per Open Meetings Act.
- Jun 4 Hold second public hearing. §43.0673.
- Jun 4 Consider Annexation Ordinance



## CITY OF LAVON

P.O. Box 340 120 School Road

Lavon, TX 75166

(972) 843-4220

[www.cityoflavon.com](http://www.cityoflavon.com)

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### Notice - Proposed Annexation

The owner of property described herein has requested that the City of Lavon annex their property. The subject property is located within the City of Lavon extraterritorial jurisdiction in Collin County and this notice is provided pursuant to Texas Local Government Code, Section 43.905.

The Lavon City Council will hold a public hearings at a meeting starting at 7:00 p.m. on May 21, 2019 and at 7:00 p.m. on June 4, 2019 at City Hall, 120 School Rd., Lavon, TX regarding the voluntary annexation of the balance of the property located within the extraterritorial jurisdiction of and adjacent to the City of Lavon consisting of the remainder of approximately 1.684 acres described as Abstract A0638 in the William H. Moore Survey, Tract 13, (CCAD Prop ID 2664083) at 1009 S. SH 78.

There is no known financial impact on the public entity or political subdivision resulting from the annexation, including any changes in the public entity's or political subdivision's revenues or maintenance and operation costs.

The City of Lavon has no proposal to rebate, reduce or limit any financial impact on the public entity or political subdivision.

If there are questions or for additional information, please contact [cityhall@cityoflavon.org](mailto:cityhall@cityoflavon.org).

Sincerely,

Kim Dobbs  
City Administrator

**CITY OF LAVON**  
**ORDINANCE NO. 2019-06-01**

Annexation – 1.684 acres – Independent Bank

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAVON, TEXAS, ANNEXING THE HEREINAFTER DESCRIBED TERRITORY INTO THE CITY OF LAVON, COLLIN COUNTY, TEXAS, AND EXTENDING THE BOUNDARY LIMITS OF SAID CITY SO AS TO INCLUDE THE DESCRIBED PROPERTY WITHIN THE CITY LIMITS, AND GRANTING TO ALL THE INHABITANTS OF THE PROPERTY ALL THE RIGHTS AND PRIVILEGES OF OTHER CITIZENS AND BINDING THE INHABITANTS BY ALL OF THE ORDINANCES, RESOLUTIONS, ACTS AND REGULATIONS OF THE CITY; INCORPORATING AN EXECUTED MUNICIPAL SERVICES AGREEMENT; FINDING AND DETERMINING THAT ALL REQUIREMENTS FOR ANNEXATION INCLUDING PUBLIC HEARINGS, NOTICES AND OPEN MEETINGS HAVE BEEN MET ACCORDING TO LAW; PROVIDING INSTRUCTIONS FOR FILING THIS ORDINANCE AND FOR CORRECTING THE OFFICIAL MAP AND BOUNDARIES OF SAID CITY; PROVIDING SEVERABILITY AND CUMULATIVE CLAUSES; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Lavon, Texas (“City”) is authorized, pursuant to Chapter 43 of the Texas Local Government Code to annex territory and extend the corporate limits of the City, subject to state law; and

**WHEREAS**, on April 18, 2019, the City received a request from landowner First Bank Farmersville dba Independent Bank for the voluntary annexation of the balance of 1.684 acres of land adjacent to the city limits; and

**WHEREAS**, the City desires to annex certain territory described herein (the “Property”); and

**WHEREAS**, all of the Property described herein is contiguous to and within the exclusive extraterritorial jurisdiction of the City; and

**WHEREAS**, all required notices, all public hearings, and all requirements for such annexation have been provided, held, and met in accordance with applicable law; and

**WHEREAS**, in accordance with Chapter 43 of the Texas Local Government Code, a Municipal Services Agreement has been executed; and

**WHEREAS**, the City Council of the City of Lavon finds and determines that annexation of the Property hereinafter described is in the best interests of the citizens of the City of Lavon and the owners and residents of the area.

**NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAVON, TEXAS:**

SECTION 1. Findings. It is hereby officially determined that the findings and recitations contained above in the preamble of this ordinance are true and correct and are incorporated herein by reference.

SECTION 2. Annexation. That the following described territory, to wit:

**Being the balance of 1.684 acres described as Abstract A0638 in the William H. Moore Survey, Tract 13, (CCAD Prop ID 2664083) at 1009 S. SH 78, within the extraterritorial jurisdiction of the City of Lavon, Collin County, Texas, described in the attached Exhibit “A” and depicted in Exhibit “B” attached hereto and made a part hereof.**

be and the same is hereby annexed into the City of Lavon, Collin County, Texas, and that the boundary limits of the City of Lavon, Texas, be and the same are hereby extended to include the above-described territory within the city limits of the City of Lavon, and that same shall hereafter be included within the territorial limits of said City and said land and the inhabitants thereof shall be hereafter entitled to all rights and privileges of all other citizens of the City of Lavon, Texas, and shall be bound by the ordinances, resolutions, acts and regulations of the City.

SECTION 3. Municipal Services Agreement. The City Council entered into a written Municipal Services Agreement with the property owner prepared in accordance with applicable provision of state law which is attached hereto as Exhibit “C” and is hereby incorporated herein by reference and adopted as part of this ordinance and the same shall govern the delivery of municipal services to the annexed territory.

SECTION 4. Official Map. The official map and boundaries of the City, previously adopted, are amended to include the Property as part of the City of Lavon. The City Secretary is directed and authorized to perform or cause to be performed all acts necessary to correct the official map of the City to add the annexed Property as required by applicable law.

SECTION 5. Severability Clause. It is hereby declared by the City Council of the City of Lavon that if any of the sections, paragraphs, sentences, clauses, phrases, words, or provisions of this ordinance should be declared unconstitutional or otherwise invalid for any reason, such event shall not affect any remaining sections, paragraphs, sentences, clauses, phrases, words, or provisions of this ordinance.

SECTION 6. Cumulative Clause. This ordinance shall be cumulative of all provisions of ordinances of the City of Lavon except where the provisions of this ordinance are in direct conflict with the provisions of such ordinances, in which event the conflicting provisions of such ordinances are hereby repealed.

SECTION 7. Public Meeting. It is hereby officially found and determined that the meeting at which this ordinance was passed was open to the public as required by law.

SECTION 8. Filing Instructions. The City Secretary is hereby directed to file a certified copy of this ordinance with the County Clerk of Collin County, Texas, and with other appropriate officials and agencies as required by state and federal law.

SECTION 9. Effective Date. This ordinance shall be in full force and effect immediately upon its passage and approval by the City Council of the City of Lavon, Texas.

**DULY PASSED AND APPROVED** by the City Council of the City of Lavon, Texas, this 4<sup>th</sup> day of June 2019.

---

Vicki Sanson, Mayor

**ATTEST:**

---

Kim Dobbs, City Administrator/City Secretary

**ORDINANCE NO. 2019-06-01**

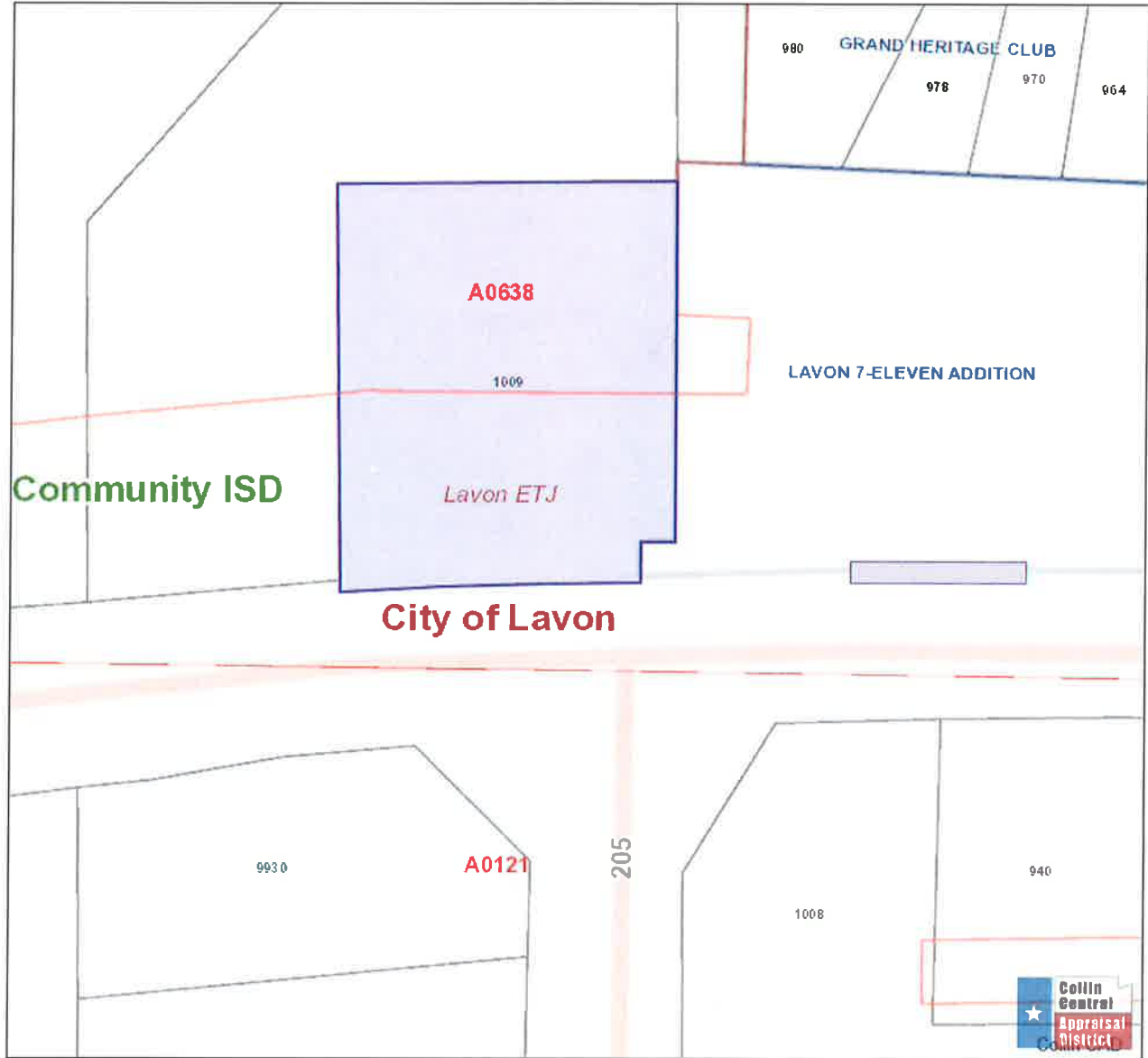
**EXHIBIT A - FIELD NOTE DESCRIPTION OF AREA**

BEING all that certain lot, tract or parcel of land situated in Collin County, Texas, being part of the W. H. Moore Survey, Abstract No. 638, being part of the 135 acres described in the deed from W. C. Daugherty, Jr., John Kingsley Daugherty and Ann Daugherty Ticknor et ux, Hal T. Ticknor, Jr. to Farmersville Bancshares, Inc., recorded in the Land Records of Collin County in Clerk's File 98-0141306 and being more particularly described as follows:

COMMENCING at a 1/2 inch iron rod found in the north right-of-way line of State Highway No. 78 at the southeast corner of parent 14.127 acre tract, said corner being N 02°07'41" E 60 feet from State Highway No. 78 Engineer's Center Line Station No. 770+07.1;  
THENCE N 89°49'29" W with said north right-of-way line 63.00 feet to a 1/2 inch iron rod found at the Point of Beginning of the herein described tract of land;  
THENCE N 89°49'29" W with said north right-of-way line 5.09 feet to a 1/2 inch iron rod set at the beginning of a curve to the left in said right-of-way line;  
THENCE 218.52 feet in a westerly direction with said curve having a radius of 2924.79 feet, a central angle of 04°16'50" and a chord bearing S 88°52'25" W 218.47 feet to a 1/2 inch iron rod set at the end of said curve;  
THENCE N 00°10'31" E a distance of 248.96 feet to a 1/2 inch iron rod set, for a corner;  
THENCE S 89°49'29" E a distance of 248.50 feet to a 1/2 inch iron rod set, for a corner;  
THENCE S 00°10'31" W a distance of 214.00 feet to a 1/2 inch iron rod set, for a corner;  
THENCE N 89°49'29" W a distance of 25.00 feet to a 1/2 inch iron rod set, for a corner;  
THENCE S 00°10'31" W a distance of 30.00 feet to return to the Place of Beginning and containing 1.380 acres of land.

**ORDINANCE NO. 2019-06-01**

**EXHIBIT B – MAP**



**ORDINANCE NO. 2019-06-01**

**EXHIBIT C – MUNICIPAL SERVICES AGREEMENT**

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

STATE OF TEXAS            )  
  )  
COUNTY OF COLLIN        )

**CHAPTER 43 TEXAS LOCAL GOVERNMENT CODE  
MUNICIPAL SERVICES AGREEMENT**

This Municipal Services Agreement (“Agreement”) is entered into pursuant to Section 43.0672 of the Texas Local Government Code by and between the City of Lavon, Texas (the “City”) and the undersigned property owner(s) (the “Owner”). The term “Owner” includes all owners of the Property. City and Owner may be referred individually as a “Party” and collectively referred to as the “Parties.”

**WHEREAS**, the Owner owns a parcel of real property (the “Property”) in Collin County, Texas, legally described Abs A063 William H. Moore Survey, Sheet 2, Tract 13, 1.684 acres., and more particularly described on Exhibit “A” attached hereto; and

**WHEREAS**, the Parties desire to enter into this Agreement pursuant to Section 43.0672 of the Texas Local Government Code in order to address the provision of municipal services to be offered to the Property on the date of annexation, and a schedule that includes the period within which the City will provide any municipal service that is not provided on the effective date of annexation, as shown in Exhibit “B” attached hereto; and

**WHEREAS**, the Owner and the City acknowledge that this Agreement is binding upon the City and the Owner and their respective successors and assigns for the term (defined below) of this Agreement; and

**WHEREAS**, this Agreement is to be recorded in the Real Property Records of Collin County.

**NOW, THEREFORE**, in consideration of the mutual covenants contained herein, the Parties hereto agree as follows:

**Section 1.** The City acknowledges and agrees that it shall provide the municipal services listed in Exhibit “B” to the Property pursuant to Chapter 43 of Texas Local Government Code upon annexation of the Property.

**Section 2.** The Owner acknowledges that each and every owner of the Property must sign this Agreement in order for the Agreement to take full effect, and **the Owner who signs this Agreement covenants and agrees, jointly and severably, to indemnify, hold harmless, and defend the City against any and all legal claims, by any claiming an ownership interest in the Property who has not signed the Agreement, arising in any way from the City’s reliance on this Agreement.**

**RECEIVED**  
**APR 18 2019**  
**CITY OF LAVON**

**Section 3.** The Owner agrees and stipulates that such annexation of the Property is voluntary, and the Owner has submitted a petition for such annexation to the City. Furthermore, the Owner hereby waives any and all vested rights and claims that they may have under Section 43.002(a)(2) and Chapter 245 of the Texas Local Government Code that would otherwise exist by virtue of any actions Owner has taken. Owner acknowledges and stipulates that this Agreement is not a permit, as defined in Texas Local Government Code, Section 245.001(1), required by the City.

**Section 4.** The Parties acknowledge and agree that nothing in this Agreement shall require the City to provide a uniform level of full municipal services to each area of the City, including the annexed Property, if different characteristics of topography, land use, and population density are considered a sufficient basis for provided different levels of municipal service. Furthermore, the Parties acknowledge and agree that this Agreement will not provide any fewer services, and it will not provide a lower level of services, than were in existence in the annexed area at the time immediately preceding the annexation process.

**Section 5.** The Owner acknowledges that the City's codes, ordinances, regulations and policies ("Regulations") that apply throughout the City, including the Property, may be reviewed at City Hall and at <http://cityoflavon.com/code-regulations.htm> and shall adhere to all such regulations in development of the Property.

**Section 6.** This Agreement shall be valid for a term of ten (10) years. Renewal of the Agreement shall be at the discretion of the City Council and must be approved by ordinance. The Owner agrees that this Agreement may be amended without the written consent or knowledge of the Owner if the City Council determines at a public hearing that changed conditions or subsequent occurrences make this Agreement unworkable or obsolete. Furthermore, the Owner acknowledges and agrees that the City Council may amend the services provided under this Agreement without the written consent of the Owner in order to conform to the changed conditions, subsequent occurrences or any other legally sufficient circumstances existing pursuant to the Local Government Code or other Texas or Federal laws that make this Agreement unworkable, obsolete or unlawful.

**Section 7.** Owner acknowledges and agrees that pursuant to the Development Agreement, the Property to be annexed will initially be zoned AG – Agricultural pursuant to the City's Code of Ordinances, pending determination of the property's permanent zoning in accordance with the provisions of applicable law and the City's Code of Ordinances. Owner acknowledges and agrees that any subsequent rezoning of the Property will be pursuant to the Regulations of the City.

**Section 8.** Any notice provided or permitted to be given under this Agreement must be in writing and may be served by depositing same in the United States mail, addressed to the Party to be notified, postage pre-paid and registered or certified with return receipt requested, or by delivering the same in person to such Party via facsimile or a hand-delivery service, Federal Express or any courier service that provides a return receipt showing the date of actual delivery of same to the addressee thereof. Notice given in accordance herewith shall be effective upon receipt at the address of the addressee. For purposes of notice, the addresses of the Parties shall be as follows:

To City:

City of Lavon  
Attn: City Administrator  
P.O. Box 340  
Lavon, TX 75166

With Copy to:

Messer, Rockefeller & Fort, P.L.L.C.  
Attn: Wm. Andrew Messer  
6371 Preston Road, Suite 200  
Frisco, Texas 75034

To Owner:

Independent Bank  
Attn: Facilities – Joe Farr  
1600 Redbud Blvd  
McKinney, TX 75069

**Section 9.** A certified copy of this Agreement shall be recorded in the real property records of Collin County, Texas, and this Agreement shall constitute a covenant that runs with the Property.

**Section 10.** If a court of competent jurisdiction determines that any covenant of this Agreement is void or unenforceable, including the covenants regarding involuntary annexation, then the remainder of this Agreement shall remain in full force and effect.

**Section 11.** This Agreement may be enforced by any Owner or the City by any proceeding at law or in equity. Failure to do so shall not be deemed a waiver to enforce the provisions of this Agreement thereafter. Notwithstanding the preceding terms of this section, the City does not waive immunity from suit or liability. Owner acknowledges and agrees that the only recourse against the City for breach or default of the Agreement is disannexation for failure to provide services pursuant to Chapter 43 of the Texas Local Government Code.

**Section 12.** Owner and City acknowledge and expressly agree that no subsequent change in the law regarding annexation shall affect the enforceability of this Agreement or the City's ability to annex the properties covered herein pursuant to the terms of this Agreement.

**Section 13.** The validity of this Agreement and any of its terms and provisions, as well as the rights and duties of the Parties, shall be governed by the laws of the State of Texas; and venue for any action concerning this Agreement shall be only in Collin County, Texas.

**Section 14.** This Agreement may be separately executed in individual counterparts and, upon execution, shall constitute one and same instrument.

**Section 15.** This Agreement shall survive its termination to the extent necessary for the implementation of the provisions of Sections 2, 3, 4 and 11 herein.

**Section 16.** This Agreement embodies the complete agreement of the Parties hereto, superseding all oral or written, previous and contemporary agreements between the Parties and relating to the matters in this Agreement and except as otherwise provided herein, cannot be modified without written agreement of the Parties to be attached to and made a part of this Agreement.

**Section 17.** The determinations recited and declared in the preambles to this Agreement are hereby incorporated herein as part of this Agreement.

**Section 18.** All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

Entered into this 18 day of April, 2019.

SIGNATURES ON FOLLOWING PAGE(S)

CITY OF LAVON

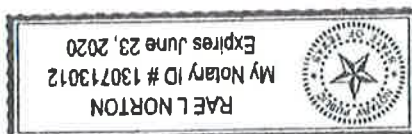
By: Vicki Sanson  
Name: Vicki Sanson  
Title: Mayor  
Date: 5/7/2019



THE STATE OF TEXAS       §  
  §  
COUNTY OF COLLIN       §

This instrument was acknowledged before me on May 13, 2019, by Vicki Sanson, Mayor of the City of Lavon, Texas on behalf of said City.

Rae L Norton  
Notary Public in and for the State of TEXAS



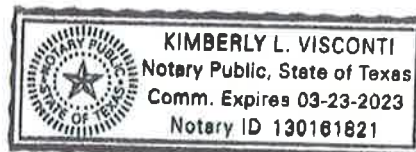
**OWNER: Independent Bank**

By: Joe Farr  
Name: Authorized Agent of Owner  
Title: Joe Farr, SVP-Director Facilities & Planning  
Date: April 23, 2019

THE STATE OF TEXAS       §  
  §  
COUNTY OF Collin       §

This instrument was acknowledged before me on April 23, 2019, by Joe Farr, owner of said Property.

Kimberly L. Visconti  
Notary Public in and for the State of TEXAS



**EXHIBIT "A"**  
**Property Description and Depiction**

**BEING**

EXHIBIT   A  

BEING all that certain lot, tract or parcel of land situated in Collin County, Texas, being part of the W. H. Moore Survey, Abstract No. 638, being part of the 135 acres described in the deed from W. C. Daugherty, Jr., John Kingsley Daugherty and Ann Daugherty Ticknor et vir, Hal T. Ticknor, Jr. to Farmersville Bancshares, Inc., recorded in the Land Records of Collin County in Clerk's File 98-0141306 and being more particularly described as follows:

COMMENCING at a 1/2 inch iron rod found in the north right-of-way line of State Highway No. 78 at the southeast corner of parent 14.127 acre tract, said corner being N 02°07'41" E 60 feet from State Highway No. 78 Engineer's Center Line Station No. 770+07.1;  
THENCE N 89°49'29" W with said north right-of-way line 63.00 feet to a 1/2 inch iron rod found at the Point of Beginning of the herein described tract of land;  
THENCE N 89°49'29" W with said north right-of-way line 5.09 feet to a 1/2 inch iron rod set at the beginning of a curve to the left in said right-of-way line;  
THENCE 218.52 feet in a westerly direction with said curve having a radius of 2924.79 feet, a central angle of 04°16'50" and a chord bearing S 88°52'25" W 218.47 feet to a 1/2 inch iron rod set at the end of said curve;  
THENCE N 00°10'31" E a distance of 248.96 feet to a 1/2 inch iron rod set, for a corner;  
THENCE S 89°49'29" E a distance of 248.50 feet to a 1/2 inch iron rod set, for a corner;  
THENCE S 00°10'31" W a distance of 214.00 feet to a 1/2 inch iron rod set, for a corner;  
THENCE N 89°49'29" W a distance of 25.00 feet to a 1/2 inch iron rod set, for a corner;  
THENCE S 00°10'31" W a distance of 30.03 feet to return to the Place of Beginning and containing 1.380 acres of land.

**EXHIBIT "B"**  
**Municipal Service Plan**

**CITY OF LAVON**  
**ANNEXATION SERVICE PLAN**

**PUBLIC SAFETY SERVICES**

**FIRE SERVICES**

**Existing Services:** Nevada Volunteer Fire Department

**Services to be Provided:** On the effective date of annexation, fire suppression will be available to the area at the same or similar level as is provided to other areas of the City. Primary fire response will be provided by the Lavon Volunteer Fire Department (LVFD). Adequate fire suppression activities can be afforded to the annexed area within current budget appropriation. Fire prevention activities will be provided by the Fire Marshal's office as needed. The LVFD is party to several Mutual Aid Agreements with area volunteer departments that will provide back-up service as appropriate.

**POLICE SERVICES**

**Existing Services:** Currently, the area is under the jurisdiction of the Collin County Sheriff's Office.

**Services to be Provided:** On the effective date of annexation, the City of Lavon Police Department will extend regular and routine patrol and police services to the area. It is anticipated that the implementation of police patrol activities can be effectively accommodated within the current budget and staff appropriation.

**EMERGENCY MEDICAL SERVICES**

**Existing Services:** None

**Services to be Provided:** On the effective date of annexation, the area will become a part of the area served by the Southeast Collin County EMS/Ambulance Coalition and ambulance service will be provided pursuant to the City's contract for services. Services can be provided within the current budget appropriation.

**CODE ENFORCEMENT SERVICES**

**Existing Services:** None

**Services to be Provided:** On the effective date of annexation, any inspection services now provided by the City (building, electrical, plumbing, gas, housing, health, etc.) will be provided in the annexed area. Services can be provided within the current budget appropriation.

## **MUNICIPAL SERVICES**

### **PLANNING & ZONING SERVICES**

**Existing Services:** None

**Services to be Provided:** On the effective date of annexation, the planning and zoning jurisdiction of the City will extend to the annexed area. City planning will thereafter encompass the annexed area. Services can be provided within the current budget appropriation.

### **STORM DRAINAGE SERVICES**

**Existing Services:** None

**Services to be Provided:** On the effective date of annexation, the City of Lavon will include the annexed area in its service area for drainage services at the same or similar level as is provided to other areas of the City, taking into account different characteristics of topography, land uses and population density. Services will include, but are not limited to: routine review and monitoring of culverts and storm sewers; flood plain design and assistance; and engineering review as the area relates to the City as a whole. Services can be provided within the current budget appropriation.

### **STREET SERVICES**

**Existing Services:** County Road Maintenance

**Services to be Provided:** On the effective date of annexation, the City of Lavon will provide maintenance for streets in accordance with existing City ordinances, resolutions and regulations. Municipal services will include, but are not limited to: routine maintenance, street lighting, ice and snow monitoring of major thoroughfares, and assessment of street conditions for long-term maintenance scheduling. As streets are constructed in undeveloped portions of the annexed area, the appropriate City ordinances, resolutions and regulations of the City shall apply. Services can be provided within the current budget appropriation.

### **TRANSPORTATION AND TRAFFIC SERVICES**

**Existing Services:** None

**Services to be Provided:** On the effective date of annexation, the City of Lavon will join Collin County and the State of Texas Department of Transportation in providing transportation-planning services to the annexed area. The area will be included in the City of Lavon's Thoroughfare Plan and will receive an enhanced voice in the Transportation Planning Process through the City of Lavon's representation on regional planning teams. Services can be provided within the current budget appropriation.

### **PARKS SERVICES**

**Existing Services:** None

**Services to be Provided:** On the effective date of annexation, all of the city's parks and recreation facilities shall be available for use by residents of the annexed area. The annexed area will be included in the park planning processes. Services can be provided within the current budget appropriation.

## UTILITY SERVICES

### **SOLID WASTE COLLECTION SERVICES**

**Existing Services:** None

**Services to be Provided:** On the effective date of annexation, the City of Lavon will provide solid waste collection and recycling services. Service is provided in accordance with City regulations and is provided as a fee-based service per contract with a private provider. Service requests and billing are administered through the City. Service shall comply with existing City policies.

### **WATER SERVICES**

**Existing Services:** Bear Creek Special Utility District

**Services to be Provided:** Water service shall continue to be provided to the annexed area by a special utility district in accordance with existing State laws, City ordinances, resolutions, regulations and policies. Construction of water utility-related facilities will be built in accordance with the City of Lavon construction standards.

### **SANITARY SEWER SERVICES**

**Existing Services:** None

**Services to be Provided:** On the effective date of annexation, sanitary sewer service will be provided in accordance with applicable codes and departmental policy. Upon completion of construction and dedication of sanitary sewer facilities, including off-site facilities, the City shall assume maintenance and service responsibilities for the sanitary sewer system in the annexed area in accordance with existing City ordinances, resolutions regulations and policies.

## MISCELLANEOUS SERVICES

On the effective date of annexation, all other applicable municipal services will be provided to the area in accordance with the City of Lavon's established policies governing extension of municipal services to newly annexed areas.



**CITY OF LAVON  
CITY COUNCIL  
Agenda Brief**

**MEETING: June 4, 2019**

**ITEM: 8 – B**

**Item:**

Public hearing, discussion and action regarding the application of First Bank Farmersville dba Independent Bank for a zoning change from Temporary Agricultural (A) to Retail (R) zoning district for newly annexed property at 1009 S. SH 78, consisting of the remainder of 1.684 acres described as Abstract A0638 in the William H. Moore Survey, Tract 13, (CCAD Prop ID 2664083) situated northwest of the intersection of SH 78 and SH 205.

- 1) Presentation of request.
- 2) **PUBLIC HEARING** to receive comments regarding the request.
- 3) Discussion and action regarding the request and accompanying Ordinance No. 2019-06-02.

**Background:**

**Application Information**

**Owner(s):** First Farmersville Bank dba Independent Bank

**Applicant:** Joe DeFina, Sr. Vice President – Director Facilities & Purchasing

**Location:** 1009 South SH 78, Lavon, Texas

**Description:** William H. Moore Survey, Abstract No. A0638, CCAD property ID 2664083 Collin County, Texas (estimated .8 acres of 1.684-acre parcel)

**Current Zoning:** Pending annexation, the property will be Temporary Agricultural

**Request:** Retail

**Request Details**

On April 18, 2019, the City received a request from landowner First Bank Farmersville dba as Independent Bank for the voluntary annexation of the balance of 1.684 acres of land adjacent to the city limits. A portion of the property is in the city limits as it was included in the original incorporated area. Independent Bank has a banking facility developed on the property.

On May 7, 2019, the City Council approved a Municipal Services Agreement with the property owner which has been fully executed and scheduled two public hearings on the proposed annexation. On May 21, 2019, the City Council conducted the first of two public hearings regarding the requested annexation. The second public hearing is scheduled to be held on June 4, 2019.

Upon annexation, property is zoned into a temporary classification of Agricultural (A) until it is formally zoned. In conjunction with the annexation, the property owner has requested zoning to be processed concurrently.

The portion of the property that fronts SH 78 is currently zoned Retail (R) and the owner desires that the remainder of the property be zoned in the same manner.

**Zoning:** the requested zoning class is Retail (R) which is consistent with the balance of the property. The Retail zoning classification is consistent with the property to the east that is zoned Retail that has been developed with a 7-Eleven store. The property that wraps around the subject property to the north and west is not in the city limits and does not have a zoning classification assigned. The owner of the property has indicated their desire to develop the property into an office which would be consistent with the requested zoning.

The requested zoning conforms to the Comprehensive Plan and is consistent with the adjacent land uses.

**Floodplain:** The property that is subject of the request will not encroach into or reclaim existing floodplain.

**Road Connection:** The property presently takes access at two points from SH 78, one of which is at a signalized intersection with SH 205.

**Staff Notes:**

The requisite public hearing notice was published and posted, zoning change signs placed and six (6) neighbor notices were mailed to owners of property located within 200 feet of the applicant's property. One (1) notice has been returned in favor of the request and none have been returned in opposition.

**Planning & Zoning Commission Action:**

**MOTION: RECOMMEND APPROVAL OF THE APPLICATION OF FIRST BANK FARMERSVILLE DBA INDEPENDENT BANK FOR A ZONING CHANGE FROM TEMPORARY AGRICULTURAL (A) TO RETAIL (R) ZONING DISTRICT FOR NEWLY ANNEXED PROPERTY AT 1009 S. SH 78, CONSISTING OF THE REMAINDER OF 1.684 ACRES DESCRIBED AS ABSTRACT A0638 IN THE WILLIAM H. MOORE SURVEY, TRACT 13, (CCAD PROP ID 2664083) SITUATED NORTHWEST OF THE INTERSECTION OF SH 78 AND SH 205 SUBJECT TO ANNEXATION.**

MOTION MADE: COKER

SECONDED: NABORS

APPROVED: UNANIMOUS

Approval is recommended subject to annexation.

- Attachments:**
1. Application
  2. Location Exhibits
  3. Neighbor Notice and Database
  4. Neighbor Responses
  5. Proposed Ordinance

May 30, 2019



# CITY OF LAVON

120 School Road P.O. Box 340  
Lavon, TX 75166  
Phone (972) 843-4220 Fax (972) 843-0397  
leann.mcclendon@cityoflavon.org

## Request for a Change in Zoning

Fee: \$300.00 plus \$10.00 per acre on a tract of land

FIRST BANK FARMERSVILLE dba Independent Bank

Applicants Name

Date

JOE FARR, SUP-Director Facilities & Purchasing 469-301-2795

Representative or Agent

Phone Number

1600 Redbud Blvd

McKinney, TX 75069

Street

City, State, Zip

1009 S. State Hwy. 78, LAVON, TX 75166

Location of Property

Abs A638 William H. Moore Survey, Sheet 2, Tract 13, 1.684 acres

Legal Description of Property

Current Zoning

Check which zoning category you wish to change to:

Lot Size:  1/2 acre or more       3/4 acre or more       1 acre or more

Single Family - 1 (1800 sq. ft. min. home)

Retail

Single Family - 2 (1500 sq. ft. min. home)

Business District 1 / 2

Single Family - 3 (1200 sq. ft. min. home)

Planned Development

Special Use Permit

Mobile Home District

Other: \_\_\_\_\_

- Beer & Wine** - \$500.00 per year (or any portion of a year) each such permit shall be renewed each year on January 1<sup>st</sup>. Renewal fees shall be the same amount as the original fee.
- Other** - \$100.00 plus any inspections. This includes Christmas tree sales, outside commercial sales, construction shacks, sales trailers, or similar uses.

Signature of Applicant or Representative: Joe Farr

\* Cost shall include: Actual cost to City plus a 10% administrative fee. These fees are in addition to required permit fee.

### For Office Use Only

Date Received: \_\_\_\_\_ Date Paid: \_\_\_\_\_ Fee Paid: \_\_\_\_\_

Next P & Z Meeting: \_\_\_\_\_ Next City Council Meeting: \_\_\_\_\_

RECEIVED

APR 18 2019



**CITY OF LAVON**  
 120 School Road P.O. Box 340  
 Lavon, TX 75166  
 Phone (972) 843-4220 Fax (972) 843-0396

**Authorization of Representation**

Date: April 17, 2019

To the City of Lavon  
 Collin County, Texas

This letter will serve as notice that I/we, Independent Bank,  
 am/are the owner(s) of record of the property described in the attached survey  
 documentation, submitted with this form, and do hereby authorize  
Joe FARR to represent me (us) and my (our)  
 interests in the property described in the attached exhibits(s) for the expressed  
 purpose of this request.

INDEPENDENT BANK  
 By: Mark Haynie  
 Signature (Owner) Mark Haynie  
 Executive Vice President  
 General Counsel

\_\_\_\_\_  
 Signature (Owner)

\_\_\_\_\_  
 Signature (Owner)

The State of Texas  
 County of Collin

Before me, the undersigned authority, appeared mark Haynie,  
 on this the 17th day of April, 2019.



Jill Thompson  
 Notary Public in and for Collin County County, Texas



# CITY OF LAVON

120 School Road P.O. Box 340  
Lavon, TX 75166  
Phone (972) 843-4220 Fax (972) 843-0397  
leann.mcclendon@cityoflavon.org

## Declaration of Ownership

Date: April 17, 2019

To the City of Lavon  
Collin County, Texas

This letter will serve as notice that I/we, Independent Bank,  
am/are the owner(s) of record of the property described in the attached survey  
documentation, submitted with this form, for the purpose of any future proposed  
request(s) relating to this property.

INDEPENDENT BANK

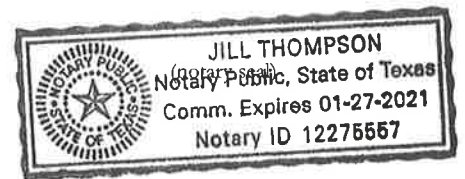
By: M. Haynie  
Signature (Owner)

\_\_\_\_\_  
Signature (Owner)

\_\_\_\_\_  
Signature (Owner)

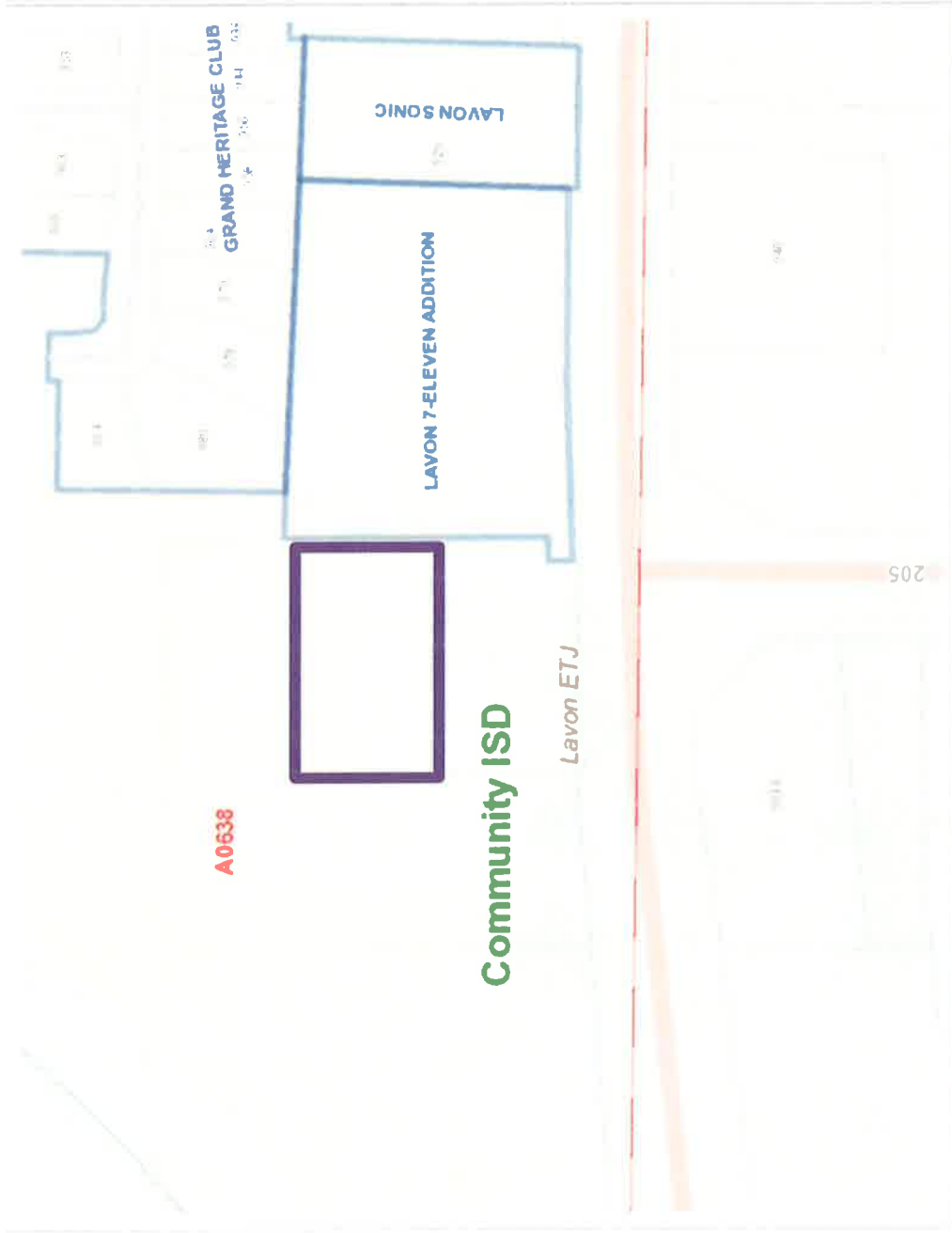
The State of Texas  
County of \_\_\_\_\_

Before me, the undersigned authority, appeared Mark Haynie,  
on this the 17th day of April, 2019.



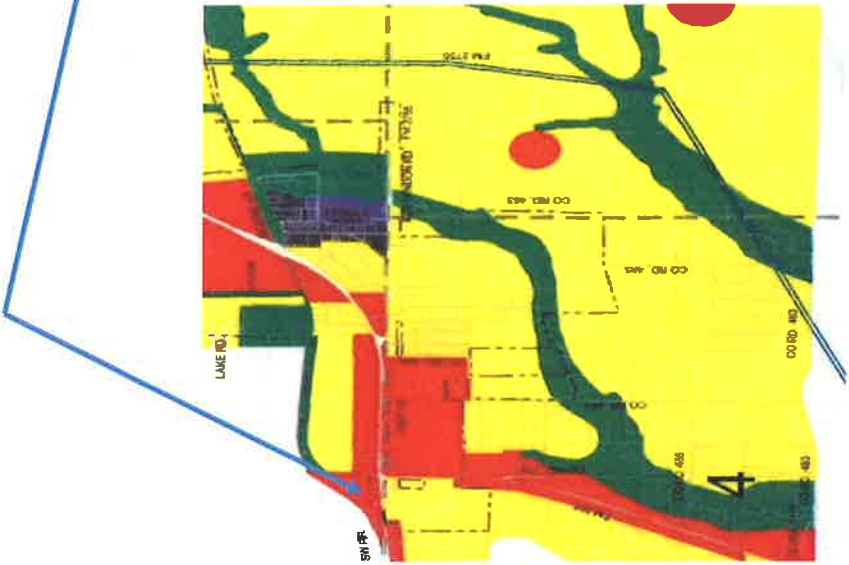
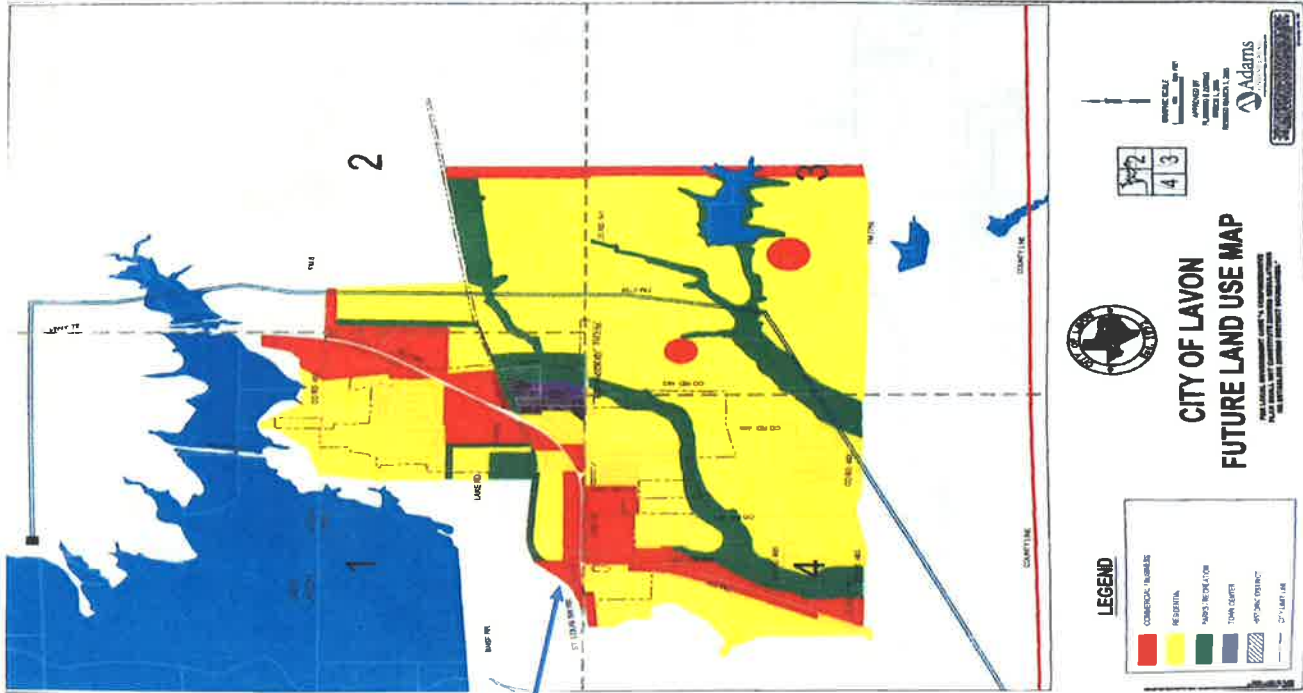
Jill Thompson  
Notary Public in and for Collin County, Texas

# Location Exhibit Independent Bank Annexation



# Future Land Use Map

## Independent Bank



# Zoning Map Independent Bank

## ZONING MAP

Ordinance No. 2016-09-02  
March 6th, 2016



### Legend

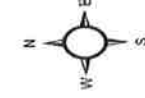
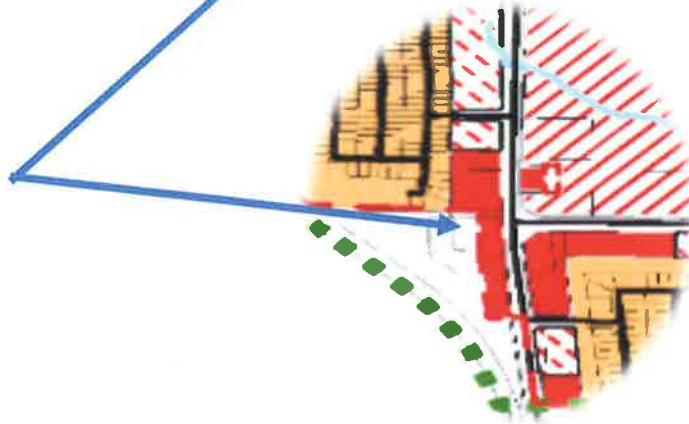
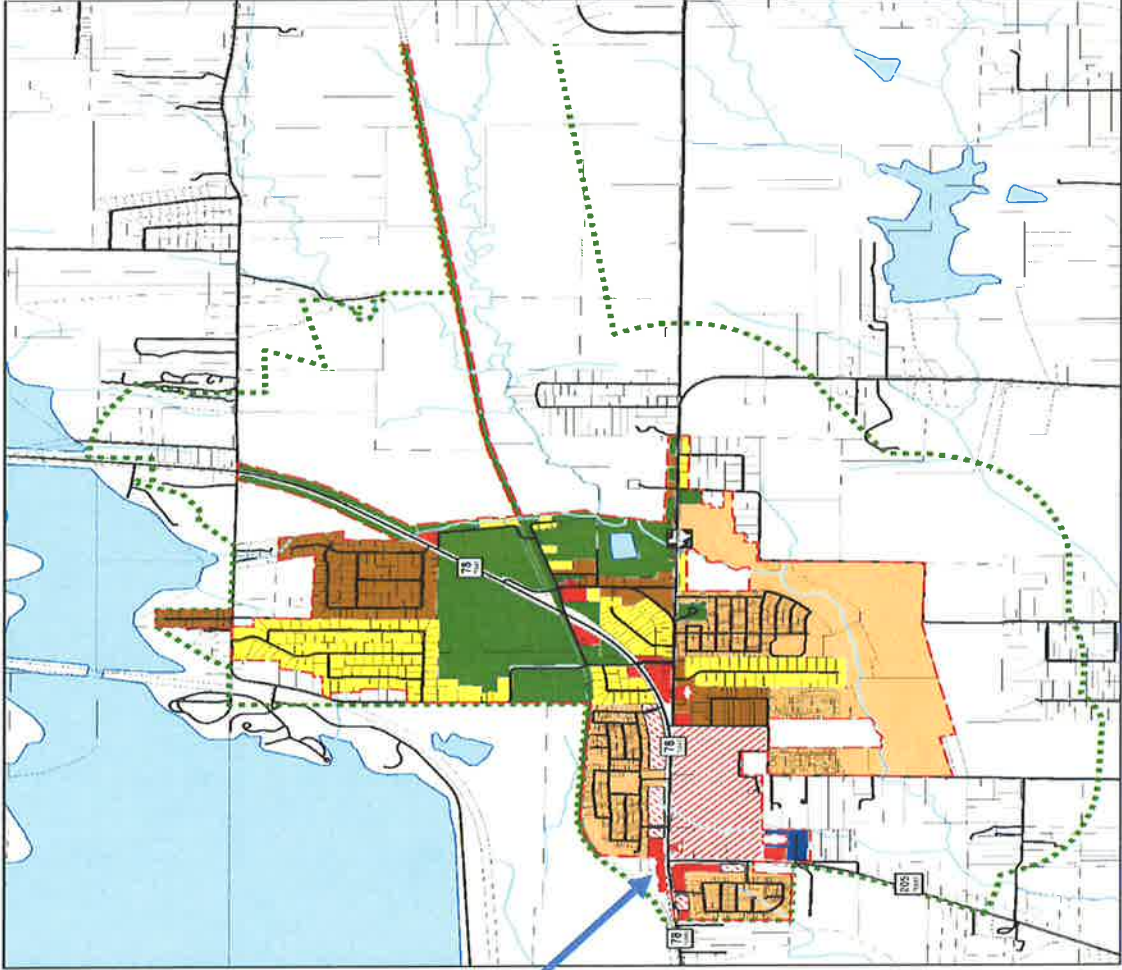
- Agricultural (A)
- Single Family-1 (SF-1)
- Single Family-2 (SF-2)
- Retail (R)
- Planned Development – Single Family (PD-SF)
- Planned Development – Mixed Use (PD-MU)
- Planned Development – Commercial (PD-C)
- Planned Development – Business (PD-B)
- Lavon City Limits

For Planned Development Regulations  
See the City of Lavon Ordinance applicable to the specific site.

### Unassigned Zoning Districts

- Single-Family -4 (SF-4)
- Main Street
- Business Park District (B-2)

For General Regulations of these Zoning Districts  
see the City of Lavon Zoning Ordinance





**CITY OF LAVON, TEXAS  
NOTICE OF PUBLIC HEARINGS BEFORE THE  
PLANNING AND ZONING COMMISSION  
AND THE CITY COUNCIL**

Notice is hereby given that the **Planning and Zoning Commission** will hold a public hearing at the meeting starting at 7:00 PM, Tuesday, **May 28, 2019** at Lavon City Hall, 120 School Rd.

Further notice is given that a second public hearing is scheduled where the request and the recommendation of the Planning and Zoning Commission will be considered by the **City Council** at a meeting starting at 7:00 PM, Tuesday, **June 4, 2019** at Lavon City Hall.

**REQUEST:** At such times and place, the Commission and the Council will hear and take action on the application of the Commission and the Council will hear and take action on the application of First Bank Farmersville dba Independent Bank for a zoning change from Temporary Agricultural (A) to Retail (R) zoning district.

**Property Description:** Newly annexed property at 1009 S. SH 78, consisting of the remainder of 1.684 acres described as Abstract A0638 in the William H. Moore Survey, Tract 13, (CCAD Prop ID 2664083), Lavon, Collin County, Texas

Information regarding the request may be obtained at [cityhall@cityoflavon.org](mailto:cityhall@cityoflavon.org) or at 972-843-4220. The public hearing may be continued should an applicant so request. Interested citizens are invited to attend the public hearing and participate in the same.

*Optional: The following may be filled out and returned to Lavon City Hall before the hearing date.*

**Check one:**     I am in favor of the request.         I am opposed to the request.

Reasons: (attach separate sheet(s) as needed)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Signature:** \_\_\_\_\_

**Name (printed):** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Phone/Email Address (optional):** \_\_\_\_\_

*You may return this form to:*                      **City of Lavon**  
   **P.O. Box 340**  
   **Lavon, Texas 75166**  
   *or email [CityHall@cityoflavon.org](mailto:CityHall@cityoflavon.org)*

Thank you,  
City of Lavon

## IBTX Zoning Notice

Property Owner	Mailing Address	Physical Address	Legal Description
Madhusudan Raju Konduru & Reddy Thandra Venkat & Gadhiraaju Jyothirmayi	116 Collin Ct. Murphy, TX 75094-3792	Lavon, TX 75166	Abs A0638 William H. Moore Survey, Sheet 2, Tract 6, 9.372 Acres
7-Eleven C/O Engie Insight MS 1937	P.O. Box 2440 Spokane, WA 99210	991 S. St. Hwy 78 Lavon, TX 75166	7-Eleven Addition Lot 1, Block 1, 1.109 Acre
Collin County	2300 Bloomdale Rd. McKinney, TX 75071-8517	S. st Hwy 78 Lavon, TX 75166	Abs A0638 William H. Moore Survey, Sheet 2, Tract 27, 2.39 Acres
First Bank of Farmersville	P.O. Box 592 Farmersville, TX 75442-0592	1009 S. St. Hwy 78 Lavon, TX 75166	Abs A0638 William H. Moore Survey, Sheet 2, Tract 13, 1.684 Acres
Lori Lynn & David Ray Lord	980 Austin Lane Lavon, TX 75166	Same	Grand Heritage Club, Bik A, Lot 12
Phillip W. James	994 Austin Lane Lavon, TX 75166	Same	Grand Heritage Club, Bik A, Lot 13



**CITY OF LAVON, TEXAS  
NOTICE OF PUBLIC HEARINGS BEFORE THE  
PLANNING AND ZONING COMMISSION  
AND THE CITY COUNCIL**

Notice is hereby given that the **Planning and Zoning Commission** will hold a public hearing at the meeting starting at 7:00 PM, Tuesday, **May 28, 2019** at Lavon City Hall, 120 School Rd.

Further notice is given that a second public hearing is scheduled where the request and the recommendation of the Planning and Zoning Commission will be considered by the **City Council** at a meeting starting at 7:00 PM, Tuesday, **June 4, 2019** at Lavon City Hall.

**REQUEST:** At such times and place, the Commission and the Council will hear and take action on the application of the Commission and the Council will hear and take action on the application of First Bank Farmersville dba Independent Bank for a zoning change from Temporary Agricultural (A) to Retail (R) zoning district.

**Property Description:** Newly annexed property at 1009 S. SH 78, consisting of the remainder of 1.684 acres described as Abstract A0638 in the William H. Moore Survey, Tract 13, (CCAD Prop ID 2664083), Lavon, Collin County, Texas

Information regarding the request may be obtained at [cityhall@cityoflavon.org](mailto:cityhall@cityoflavon.org) or at 972-843-4220. The public hearing may be continued should an applicant so request. Interested citizens are invited to attend the public hearing and participate in the same.

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*Optional: The following may be filled out and returned to Lavon City Hall before the hearing date.*

**Check one:**     I am in favor of the request.     I am opposed to the request.

Reasons: (attach separate sheet(s) as needed)

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**Signature:** \_\_\_\_\_ *William R Burke*

**Name (printed):** William R Burke

**Address:** 4600 Community Ave. McKinney, TX, 75071

**Phone/Email Address (optional):** blanke@co.collin.tx.us

**You may return this form to:**    **City of Lavon**  
P.O. Box 340  
Lavon, Texas 75166  
or email [CityHall@cityoflavon.org](mailto:CityHall@cityoflavon.org)

**RECEIVED**  
**MAY 14 2019**  
**CITY OF LAVON**

Thank you,  
City of Lavon

**CITY OF LAVON**  
**ORDINANCE NO. 2019-06-02**

Zoning Change – Retail (R) - Independent Bank

**AN ORDINANCE OF THE CITY OF LAVON, TEXAS, AMENDING THE COMPREHENSIVE ZONING ORDINANCE TO CHANGE THE ZONING CLASSIFICATION FROM TEMPORARY AGRICULTURAL TO RETAIL (R) DISTRICT ON THE BALANCE OF A 1.684 ACRE TRACT OF LAND DESCRIBED HEREIN AND LOCATED SOUTH OF THE INTERSECTION OF SH 205 AND SH 78, COLLIN COUNTY, TX; AMENDING THE OFFICIAL ZONING MAP; PROVIDING A PENALTY OF \$2,000 PER DAY; PROVIDING SEVERABILITY, SAVINGS, AND CUMULATIVE/ REPEALER CLAUSES; PROVIDING AN EFFECTIVE DATE; AND PROVIDING FOR PUBLICATION.**

**WHEREAS**, at its meeting held on May 28, 2019, the Planning & Zoning Commission considered and made recommendations on a certain request for a zoning change to Retail (R) district for newly annexed property; and

**WHEREAS**, this zoning change is in accordance with the adopted Comprehensive Plan of the City of Lavon; and

**WHEREAS**, the City Council, after determining all legal requirements of notice and hearing have been met, has further determined the following amendment to the zoning laws would provide for and would be in the best interest of the health, safety, morals and general welfare:

**NOW, THEREFORE, BE IT ORDAINED** by the City Council of the City of Lavon, Texas, as follows:

Section 1.     Incorporation of Premises. That all of the above recitals are found to be true and correct and are incorporated into the body of this ordinance as if fully set forth herein.

Section 2.     Amendment.

- A. That the Zoning Classification for and the Comprehensive Zoning Map depicting the Property described in Exhibit A and depicted in Exhibit B attached hereto is hereby rezoned from Temporary Agricultural to Retail (R) District.
- B. That the Comprehensive Zoning Ordinance and the Official Zoning Map are hereby amended to reflect the action taken herein.

Section 3.     Severability Clause. It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs and sections of this ordinance

are severable, and if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this ordinance, since the same would have been enacted by the City Council without the incorporation of this ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

Section 4. Cumulative/Repealer Clause. This ordinance shall be cumulative of all provisions of State or Federal law and other ordinances of the City of Lavon, Texas, whether codified or uncodified, except where the provisions of this ordinance are in direct conflict with the provisions of such ordinances, in which event the conflicting provisions of such ordinances are hereby repealed to the extent of such conflict.

Section 5. Penalty Clause. Any person, firm or corporation violating any of the provisions of this ordinance shall be deemed guilty of a misdemeanor and, upon conviction, in the municipal court of the City of Lavon, Texas, shall be punished by a fine not to exceed the sum of two thousand dollars (\$2,000.00) for each offense, and each and every day any such violation shall continue shall be deemed to constitute a separate offense.

Section 6. Savings Clause. Should any word, phrase, sentence or section contained herein be found to be invalid, such validity shall not affect any other portion of this ordinance.

Section 7. Effective Date. This ordinance shall be in full force and effect from and after its passage and publication as required by law and it is so ordained.

**DULY PASSED AND APPROVED** by the City Council of the City of Lavon, Texas, this 4<sup>th</sup> day of June 2019.

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Vicki Sanson  
Mayor

**ATTEST:**

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Kim Dobbs  
City Administrator | City Secretary

**ORDINANCE NO. 2019-06-02**

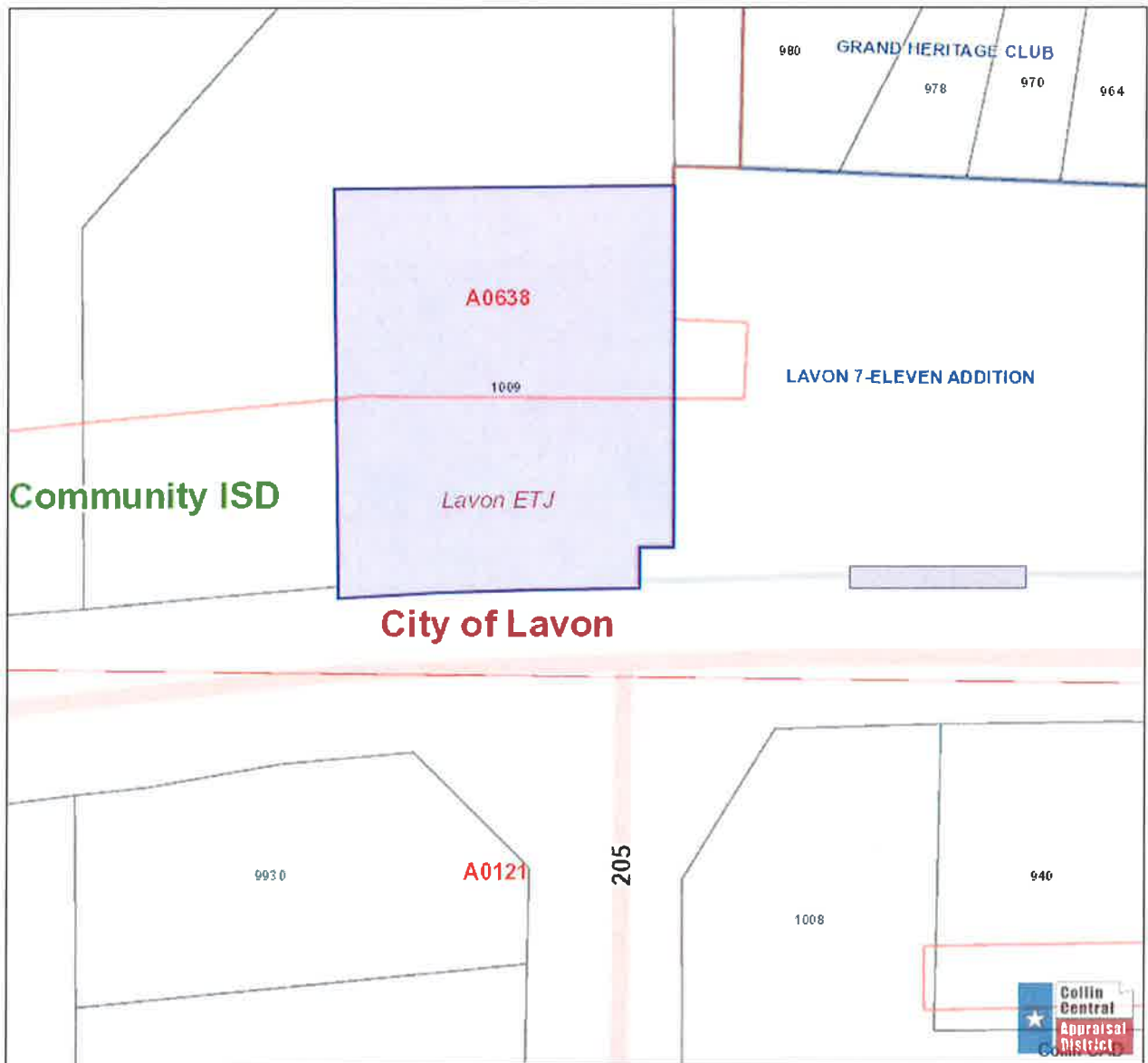
**EXHIBIT A - DESCRIPTION OF AREA**

BEING all that certain lot, tract or parcel of land situated in Collin County, Texas, being part of the W. H. Moore Survey, Abstract No. 638, being part of the 135 acres described in the deed from W. C. Daugherty, Jr., John Kingsley Daugherty and Ann Daugherty Ticknor et ux, Hal T. Ticknor, Jr. to Farmersville Bancshares, Inc., recorded in the Land Records of Collin County in Clerk's File 98-0141306 and being more particularly described as follows:

COMMENCING at a 1/2 inch iron rod found in the north right-of-way line of State Highway No. 78 at the southeast corner of parent 14.127 acre tract, said corner being N 02°07'41" E 60 feet from State Highway No. 78 Engineer's Center Line Station No. 770+07.1;  
THENCE N 89°49'29" W with said north right-of-way line 63.00 feet to a 1/2 inch iron rod found at the Point of Beginning of the herein described tract of land;  
THENCE N 89°49'29" W with said north right-of-way line 5.09 feet to a 1/2 inch iron rod set at the beginning of a curve to the left in said right-of-way line;  
THENCE 218.52 feet in a westerly direction with said curve having a radius of 2924.79 feet, a central angle of 04°16'50" and a chord bearing S 88°52'25" W 218.47 feet to a 1/2 inch iron rod set at the end of said curve;  
THENCE N 00°10'31" E a distance of 248.96 feet to a 1/2 inch iron rod set, for a corner;  
THENCE S 89°49'29" E a distance of 248.50 feet to a 1/2 inch iron rod set, for a corner;  
THENCE S 00°10'31" W a distance of 214.00 feet to a 1/2 inch iron rod set, for a corner;  
THENCE N 89°49'29" W a distance of 25.00 feet to a 1/2 inch iron rod set, for a corner;  
THENCE S 00°10'31" W a distance of 30.00 feet to return to the Place of Beginning and containing 1.380 acres of land.

**ORDINANCE NO. 2019-06-02**

**EXHIBIT B – DEPICTION**





# CITY OF LAVON CITY COUNCIL Agenda Brief

MEETING: June 4, 2019

ITEM: 8 - C

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**Item:**

Discussion and action regarding Resolution No. **2019-06-01** authorizing the Mayor to execute a Municipal Services Agreement with LDC Lavon, L.L.C., for the purpose of offering municipal services for property consisting of 200.9089 acres described as Samuel M. Rainer Survey, Abstract No. 740, (CCAD Property ID 2663916), southeast of the intersection of SH 78 and FM 6, Collin County, Texas and the portion of FM 6 and the right-of-way adjacent to and abutting the property to be annexed into the corporate limits of the City of Lavon, Texas; calling for two public hearings.

**Background:**

LDC Lavon, L.L.C. owns property consisting of 200.9089 acres in and adjacent to the City of Lavon. A portion of the property along SH 78 was included in the City's original incorporation. The owner indicated their desire to annex the portion of the property that is outside of the corporate limits so that the entire property will be wholly situated within the corporate limits of the City of Lavon.

In conjunction with a development agreement that was approved by the City Council on March 19, 2019, LDC Lavon, L.L.C. submitted a request for voluntary annexation of the balance of the 2009.089 acres of land adjacent to the city limits.

In December 2017, the Texas legislature revised the statute governing annexations. Pursuant to the revised regulations, the City of Lavon is considered a "Tier 2 Municipality" as a function of the population of Collin County. The regulations provide for a written municipal services agreement and public hearings.

***Code Excerpt:***

**TEXAS LOCAL GOVERNMENT CODE**

**SUBCHAPTER C-3. ANNEXATION OF AREA ON REQUEST OF OWNERS:  
TIER 2 MUNICIPALITIES**

Sec. 43.067. APPLICABILITY. This subchapter applies only to a tier 2 municipality.

Sec. 43.0671. AUTHORITY TO ANNEX AREA ON REQUEST OF OWNERS.

Notwithstanding Subchapter C-4 or C-5, a municipality may annex an area if each owner of land in the area requests the annexation.

Sec. 43.0672. WRITTEN AGREEMENT REGARDING SERVICES. (a) The governing body of the municipality that elects to annex an area under this subchapter must first negotiate and enter into a written agreement with the owners of land in the area for the provision of services in the area.

(b) The agreement must include:

(1) a list of each service the municipality will provide on the effective date of the annexation; and

(2) a schedule that includes the period within which the municipality will provide each service that is not provided on the effective date of the annexation.

(c) The municipality is not required to provide a service that is not included in the agreement.

Sec. 43.0673. PUBLIC HEARINGS. (a) Before a municipality may adopt an ordinance annexing an area under this section, the governing body of the municipality must conduct at least two public hearings.

(b) The hearings must be conducted not less than 10 business days apart.

(c) During the first public hearing, the governing body must provide persons interested in the annexation the opportunity to be heard. During the final public hearing, the governing body may adopt an ordinance annexing the area.

(d) The municipality must post notice of the hearings on the municipality's Internet website if the municipality has an Internet website and publish notice of the hearings in a newspaper of general circulation in the municipality and in the area proposed for annexation. The notice for each hearing must be published at least once on or after the 20th day but before the 10th day before the date of the hearing. The notice for each hearing must be posted on the municipality's Internet website on or after the 20th day but before the 10th day before the date of the hearing and must remain posted until the date of the hearing.

Added by Acts 2017, 85th Leg., 1st C.S., Ch. 6 (S.B. 6), Sec. 26, eff. December 1, 2017.

The landowner has agreed to and executed a Municipal Services Agreement that sets out the provision of municipal services to the annexed area.

The City Council may direct that public hearings be scheduled for regular meetings on June 18, 2019 and July 2, 2019. The annexation ordinance may be adopted after the second public hearing on July 2, 2019.

Approval is recommended.

- Attachments:**
1. Proposed Resolution including Municipal Services Agreement
  2. Request for Annexation from Landowner
  3. Annexation Timeline
  4. Location Exhibits
  5. Excerpts from Development Agreement re annexation

May 30, 2019

**CITY OF LAVON, TEXAS**  
**RESOLUTION NO. 2019-06-01**

Annexation of Remainder of 200.9089 acres

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAVON, TEXAS, AUTHORIZING THE MAYOR TO EXECUTE A MUNICIPAL SERVICES AGREEMENT WITH LDC LAVON, L.L.C., FOR THE PURPOSE OF OFFERING MUNICIPAL SERVICES FOR PROPERTY DESCRIBED AS ABSTRACT NUMBER 740 IN THE SAMUEL M. RAINER SURVEY, CONTAINING 200.9089 ACRES, COLLIN COUNTY, TEXAS AND THE PORTION OF FM 6 AND THE RIGHT-OF-WAY ADJACENT TO AND ABUTTING THE PROPERTY TO BE ANNEXED INTO THE CORPORATE LIMITS OF THE CITY OF LAVON, TEXAS; CALLING FOR TWO PUBLIC HEARINGS; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, LDC Lavon, L.L.C. (“Owner”) owns a parcel of real property described as Samuel M. Rainer Survey, Abstract No. 740, containing 200.9089 acres, a part of which is located in the corporate limits of the City of Lavon, Collin County, Texas (“Property”); and

**WHEREAS**, the City Council of the City of Lavon, Texas (“City Council”) has received an annexation request from the Owner requesting that the City of Lavon, Texas (“City”) initiate annexation proceedings on the balance of the Property located outside of the corporate limits; and

**WHEREAS**, the City and Owner desire to enter into a Municipal Services Agreement pursuant to Section 43.0672 of the Texas Local Government Code in order to address the provision of municipal services to be offered to the Owner’s Property on the date of annexation, and a schedule that includes the period within which the City will provide any municipal service that is not provided on the effective date of annexation; and

**WHEREAS**, before the City may adopt an ordinance annexing Property under Chapter 43 of the Texas Local Government Code, the City Council must conduct at least two public hearings not less than ten (10) business days apart to provide persons interested in the annexation the opportunity to be heard.

**NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAVON, TEXAS, THAT:**

**SECTION 1: Recitals Incorporated.** The findings recited above are incorporated as if fully set forth in the body of this Resolution.

**SECTION 2: Authorization to Execute.** The Mayor of the City is hereby authorized and directed, on behalf of the City Council of Lavon, Texas, to execute a Municipal Services Agreement by and between the City of Lavon and LDC Lavon, L.L.C., a copy of which is attached hereto as Exhibit “A”.

**SECTION 3: Public Hearings Called.** The City Council calls for two public hearings to be scheduled not less than ten (10) business days apart to provide persons interested in the annexation

of the Property an opportunity to be heard. The City Secretary is directed to post notice of the public hearings on the City's internet website and publish notice of the public hearings to receive comments on the proposed annexation. The notice for each hearing must be published at least once on or after the 20th day but before the 10th day before the date of the hearing. The notice for each hearing must be posted on the City's internet website on or after the 20th day but before the 10th day before the date of the hearing and must remain posted until the date of the hearing.

SECTION 4: Effective Date. This Resolution shall take effect immediately upon its passage.

**DULY PASSED AND APPROVED** by the City Council of the City of Lavon, Texas on the 4<sup>th</sup> day of June 2019.

---

Vicki Sanson  
Mayor

ATTEST:

---

Kim Dobbs  
City Administrator/City Secretary

**RESOLUTION NO. 2019-06-01**

**EXHIBIT A**

Municipal Services Agreement

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

STATE OF TEXAS            )  
  )  
COUNTY OF COLLIN        )

**CHAPTER 43 TEXAS LOCAL GOVERNMENT CODE  
MUNICIPAL SERVICES AGREEMENT**

This Municipal Services Agreement (“Agreement”) is entered into pursuant to Section 43.0672 of the Texas Local Government Code by and between the City of Lavon, Texas (the “City”) and the undersigned property owner(s) (the “Owner”). The term “Owner” includes all owners of the Property. City and Owner may be referred individually as a “Party” and collectively referred to as the “Parties.”

**WHEREAS**, the Owner owns a parcel of real property (the “Property”) in Collin County, Texas, legally described ABS A0740 SM Rainer Survey, Sheet 1, Tract 40 200.9089 acres and more particularly described on Exhibit “A” attached hereto; and

**WHEREAS**, the Parties desire to enter into this Agreement pursuant to Section 43.0672 of the Texas Local Government Code in order to address the provision of municipal services to be offered to the Property on the date of annexation, and a schedule that includes the period within which the City will provide any municipal service that is not provided on the effective date of annexation, as shown in Exhibit “B” attached hereto; and

**WHEREAS**, the Owner and the City acknowledge that this Agreement is binding upon the City and the Owner and their respective successors and assigns for the term (defined below) of this Agreement; and

**WHEREAS**, this Agreement is to be recorded in the Real Property Records of Collin County.

**NOW, THEREFORE**, in consideration of the mutual covenants contained herein, the Parties hereto agree as follows:

**Section 1.** The City acknowledges and agrees that it shall provide the municipal services listed in Exhibit “B” to the Property pursuant to Chapter 43 of Texas Local Government Code upon annexation of the Property.

**Section 2.** The Owner acknowledges that each and every owner of the Property must sign this Agreement in order for the Agreement to take full effect, and **the Owner who signs this Agreement covenants and agrees, jointly and severably, to indemnify, hold harmless, and defend the City against any and all legal claims, by any person claiming an ownership interest in the Property who has not signed the Agreement, arising in any way from the City’s reliance on this Agreement.**

**Section 3.** The Owner agrees and stipulates that such annexation of the Property is voluntary, and the Owner has submitted a petition for such annexation to the City. Furthermore, the Owner hereby waives any and all vested rights and claims that they may have under Section 43.002(a)(2) and Chapter 245 of the Texas Local Government Code that would otherwise exist by virtue of any actions Owner has taken. Owner acknowledges and stipulates that this Agreement is not a permit, as defined in Texas Local Government Code, Section 245.001(1), required by the City.

**Section 4.** The Parties acknowledge and agree that nothing in this Agreement shall require the City to provide a uniform level of full municipal services to each area of the City, including the annexed Property, if different characteristics of topography, land use, and population density are considered a sufficient basis for provided different levels of municipal service. Furthermore, the Parties acknowledge and agree that this Agreement will not provide any fewer services, and it will not provide a lower level of services, than were in existence in the annexed area at the time immediately preceding the annexation process.

**Section 5.** The Owner acknowledges that the City's codes, ordinances, regulations and policies ("Regulations") that apply throughout the City, including the Property, may be reviewed at City Hall and at <http://cityoflavon.com/code-regulations.htm> and shall adhere to all such regulations in development of the Property.

**Section 6.** This Agreement shall be valid for a term of ten (10) years. Renewal of the Agreement shall be at the discretion of the City Council and must be approved by ordinance. The Owner agrees that this Agreement may be amended without the written consent or knowledge of the Owner if the City Council determines at a public hearing that changed conditions or subsequent occurrences make this Agreement unworkable or obsolete. Furthermore, the Owner acknowledges and agrees that the City Council may amend the services provided under this Agreement without the written consent of the Owner in order to conform to the changed conditions, subsequent occurrences or any other legally sufficient circumstances existing pursuant to the Local Government Code or other Texas or Federal laws that make this Agreement unworkable, obsolete or unlawful.

**Section 7.** The Owner of the Property, upon the Property being annexed into the City, shall submit a zoning application consistent with the terms of the Development Agreement (as defined in Section 19), and the City shall consider the application. Owner acknowledges and agrees that any subsequent rezoning of the Property will be pursuant to the Regulations of the City.

**Section 8.** Any notice provided or permitted to be given under this Agreement must be in writing and may be served by depositing same in the United States mail, addressed to the Party to be notified, postage pre-paid and registered or certified with return receipt requested, or by delivering the same in person to such Party via facsimile or a hand-delivery service, Federal Express or any courier service that provides a return receipt showing the date of actual delivery of same to the addressee thereof. Notice given in accordance herewith shall be effective upon receipt at the address of the addressee. For purposes of notice, the addresses of the Parties shall be as follows:

To City:

City of Lavon  
Attn: City Administrator  
P.O. Box 340  
Lavon, TX 75166

With Copy to:

Messer, Rockefeller & Fort, P.L.L.C.  
Attn: Wm. Andrew Messer  
6371 Preston Road, Suite 200  
Frisco, Texas 75034

To Owner:

LDC Lavon, LLC.  
Attn: Steve Lenart  
520 Central Parkway East, Suite 104  
Plano, TX 75074  
s\_lenart@lenartdevelopment.com

With Copy to:

Glen Bellinger  
Bellinger & Suberg, LLP.  
12221 Merit Drive, Suite 1750  
Dallas, Texas 75251  
gbellinger@bellingersuberg.com

Robert Miklos  
Miklos Cinclair  
1800 Valley View Ln., Suite 360  
Farmers Branch, TX. 75234  
robert@m-clegal.com

—  
**Section 9.** A certified copy of this Agreement shall be recorded in the real property records of Collin County, Texas, and this Agreement shall constitute a covenant that runs with the Property.

**Section 10.** If a court of competent jurisdiction determines that any covenant of this Agreement is void or unenforceable, including the covenants regarding involuntary annexation, then the remainder of this Agreement shall remain in full force and effect.

**Section 11.** This Agreement may be enforced by any Owner or the City by any proceeding at law or in equity. Failure to do so shall not be deemed a waiver to enforce the provisions of this Agreement thereafter. Notwithstanding the preceding terms of this section, the City does not waive immunity from suit or liability. Owner acknowledges and agrees that the only recourse against the City for breach or default of the Agreement

is disannexation for failure to provide services pursuant to Chapter 43 of the Texas Local Government Code.

**Section 12.** Owner and City acknowledge and expressly agree that no subsequent change in the law regarding annexation shall affect the enforceability of this Agreement or the City's ability to annex the properties covered herein pursuant to the terms of this Agreement.

**Section 13.** The validity of this Agreement and any of its terms and provisions, as well as the rights and duties of the Parties, shall be governed by the laws of the State of Texas; and venue for any action concerning this Agreement shall be only in Collin County, Texas.

**Section 14.** This Agreement may be separately executed in individual counterparts and, upon execution, shall constitute one and same instrument.

**Section 15.** This Agreement shall survive its termination to the extent necessary for the implementation of the provisions of Sections 2, 3, 4 and 11 herein.

**Section 16.** This Agreement embodies the complete agreement of the Parties hereto, superseding all oral or written, previous and contemporary agreements between the Parties and relating to the matters in this Agreement and except as otherwise provided herein, cannot be modified without written agreement of the Parties to be attached to and made a part of this Agreement.

**Section 17.** The determinations recited and declared in the preambles to this Agreement are hereby incorporated herein as part of this Agreement.

**Section 18.** All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

**Section 19.** All items in this Agreement for the Property are subject to an executed Development Agreement under Texas Local Government Code Section 212.172 filed in the land records of Collin County on May 7, 2019 as document 20190507000511340 . If there is any conflict between the provisions of said Development Agreement and this Agreement, the Development Agreement controls, and the Owner has vested to those rules and regulations expressly provided for in the Development Agreement.

Entered into this 31 day of May, 2019.

SIGNATURES ON FOLLOWING PAGE(S)

**CITY OF LAVON**

By: \_\_\_\_\_  
Name: Vicki Sanson  
Title: Mayor  
Date: \_\_\_\_\_

THE STATE OF TEXAS           §  
  §  
COUNTY OF COLLIN           §

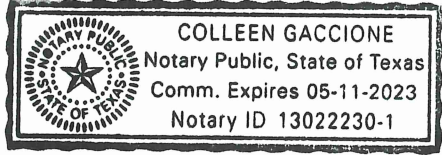
This instrument was acknowledged before me on \_\_\_\_\_, 2019, by Vicki Sanson, Mayor of the City of Lavon, Texas on behalf of said City.

\_\_\_\_\_  
Notary Public in and for the State of TEXAS

**OWNER: LDC Lavon, LLC.**

By: \_\_\_\_\_  
Name: Steve H. Lenart  
Title: Manager  
Date: 5/31/19

THE STATE OF TEXAS           §  
  §  
COUNTY OF Collin           §



This instrument was acknowledged before me on May 31, 2019, by Steve Lenart, owner of said Property.

\_\_\_\_\_  
Notary Public in and for the State of TEXAS

**EXHIBIT "A"**  
**Property Description and Depiction**

**BEING**

## LEGAL DESCRIPTION

BEING a tract of land situated in the Samuel M. Ranier Survey, Abstract Number 740, in, Collin County, Texas, being part of a tract of a 200.9089 acre tract, recorded in Document No. 20180821001049570, in the Deed Records of Collin County, Texas, and being more particularly described as follows:

BEGINNING at a 5/8-inch iron rod with TxDOT Aluminum cap found at the northeast corner of said 200.9089 acre tract in the south line of FM 6 (Variable R.O.W.);

THENCE South 01°00'58" West, departing the south line of said FM 6, with the east line of said 200.9089 acre tract, for a distance of 2,424.13 feet to ½ inch iron rod found;

THENCE North 88°51'38" West, continuing with said east line, for a distance of 871.25 feet to a 1/2-inch iron rod found;

THENCE South 01°09'20" West, continuing with said east line, for a distance of 2,042.77 feet, to a ½ inch iron rod found at the southeast corner of said 200.9089 acre tract;

THENCE South 72°03'07" West, with the south line of said 200.9089 acre tract, for a distance of 1,656.82 feet to a 1/2-inch iron rod found at the most southerly southwest corner of said 200.9089 acre tract;

THENCE North 23°03'56" West, with the west line of said 200.9089 acre tract, for a distance of 173.19 feet to a 1/2-inch iron rod found;

THENCE North 01°53'11" West, continuing with said west line, a distance of 530.40 feet to a 1/2-inch iron rod found;

THENCE South 84° 43'14" West, continuing with said west line, for a distance of 26.10 feet, to a calculated point for corner, said point being on the east boundary line of Lavon Texas as described in document Volume 41, Page 278 of the Commissioners Court of Collin County Texas records;

THENCE North 06°53'43" West, departing the west line of said 200.9089 acre tract , and along said east boundary line of Lavon Texas, for a distance of 1,215.86 feet, to a calculated point for corner;

THENCE, North 33°42'56" East, along said east boundary line, said line being 210 feet east of and parallel to the centerline of Highway 78, for a distance of 1,195.18 feet, to a point on a non-tangent curve to the left, having a radius of 5,879.58 feet, a central angle of 22°02'15";

THENCE, continuing along said east boundary line and said curve to the left for an arc distance of 2,261.45 feet (Chord Bearing North 22°50'11" East – 2,247.54 feet), to a point in the south line of said FM 6;

THENCE North 89°32'36" East, departing said east boundary line and with the south line of said FM 6, for a distance of 878.18 feet to a 5/8-inch iron rod with TxDOT Aluminum cap found;

THENCE South 89°00'51" East, continuing with the south line of said FM 6, for a distance of 376.39 feet to the POINT OF BEGINNING and containing 183.840 acres of land.

**EXHIBIT "B"**  
**Municipal Service Plan**

**CITY OF LAVON**  
**ANNEXATION SERVICE PLAN**

**PUBLIC SAFETY SERVICES**

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**FIRE SERVICES**

**Existing Services:** Nevada Volunteer Fire Department

**Services to be Provided:** On the effective date of annexation, fire suppression will be available to the area at the same or similar level as is provided to other areas of the City. Primary fire response will be provided by the Lavon Volunteer Fire Department (LVFD). Adequate fire suppression activities can be afforded to the annexed area within current budget appropriation. Fire prevention activities will be provided by the Fire Marshal's office as needed. The LVFD is party to several Mutual Aid Agreements with area volunteer departments that will provide back-up service as appropriate.

**POLICE SERVICES**

**Existing Services:** Currently, the area is under the jurisdiction of the Collin County Sheriff's Office.

**Services to be Provided:** On the effective date of annexation, the City of Lavon Police Department will extend regular and routine patrol and police services to the area. It is anticipated that the implementation of police patrol activities can be effectively accommodated within the current budget and staff appropriation.

**EMERGENCY MEDICAL SERVICES**

**Existing Services:** None

**Services to be Provided:** On the effective date of annexation, the area will become a part of the area served by the Southeast Collin County EMS/Ambulance Coalition and ambulance service will be provided pursuant to the City's contract for services. Services can be provided within the current budget appropriation.

**CODE ENFORCEMENT SERVICES**

**Existing Services:** None

**Services to be Provided:** On the effective date of annexation, any inspection services now provided by the City (building, electrical, plumbing, gas, housing, health, etc.) will be provided in the annexed area. Services can be provided within the current budget appropriation.

**MUNICIPAL SERVICES**

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**PLANNING & ZONING SERVICES**

**Existing Services:** None

**Services to be Provided:** On the effective date of annexation, the planning and zoning jurisdiction of the City will extend to the annexed area. City planning will thereafter encompass the annexed area. Services can be provided within the current budget appropriation.

## **STORM DRAINAGE SERVICES**

**Existing Services:** None

**Services to be Provided:** On the effective date of annexation, the City of Lavon will include the annexed area in its service area for drainage services at the same or similar level as is provided to other areas of the City, taking into account different characteristics of topography, land uses and population density. Services will include, but are not limited to: routine review and monitoring of culverts and storm sewers; flood plain design and assistance; and engineering review as the area relates to the City as a whole. Services can be provided within the current budget appropriation.

## **STREET SERVICES**

**Existing Services:** County Road Maintenance

**Services to be Provided:** On the effective date of annexation, the City of Lavon will provide maintenance for streets in accordance with existing City ordinances, resolutions and regulations. Municipal services will include, but are not limited to: routine maintenance, street lighting, ice and snow monitoring of major thoroughfares, and assessment of street conditions for long-term maintenance scheduling. As streets are constructed in undeveloped portions of the annexed area, the appropriate City ordinances, resolutions and regulations of the City shall apply. Services can be provided within the current budget appropriation.

## **TRANSPORTATION AND TRAFFIC SERVICES**

**Existing Services:** Collin County and State of Texas Department of Transportation

**Services to be Provided:** On the effective date of annexation, the City of Lavon will join Collin County and the State of Texas Department of Transportation in providing transportation-planning services to the annexed area. The area will be included in the City of Lavon's Thoroughfare Plan and will receive an enhanced voice in the Transportation Planning Process through the City of Lavon's representation on regional planning teams. Services can be provided within the current budget appropriation.

## **PARKS SERVICES**

**Existing Services:** None

**Services to be Provided:** On the effective date of annexation, all of the city's parks and recreation facilities shall be available for use by residents of the annexed area. The annexed area will be included in the park planning processes. Services can be provided within the current budget appropriation.

## **UTILITY SERVICES**

### **SOLID WASTE COLLECTION SERVICES**

**Existing Services:** None

**Services to be Provided:** On the effective date of annexation, the City of Lavon will provide solid waste collection and recycling services. Service is provided in accordance with City regulations and is provided as a fee-based service per contract with a private provider. Service requests and billing are administered through the City. Service shall comply with existing City policies.

### **WATER SERVICES**

**Existing Services:** Bear Creek Special Utility District

**Services to be Provided:** Water service shall continue to be provided to the annexed area by a special utility district in accordance with existing State laws, City ordinances, resolutions, regulations and policies. Construction of water utility-related facilities will be built in accordance with the City of Lavon construction standards.

### **SANITARY SEWER SERVICES**

**Existing Services:** None

**Services to be Provided:** On the effective date of annexation, sanitary sewer service will be provided in accordance with applicable codes and departmental policy. Upon completion of construction and dedication of sanitary sewer facilities, including off-site facilities, the City shall assume maintenance and service responsibilities for the sanitary sewer system in the annexed area in accordance with existing City ordinances, resolutions regulations and policies.

### **MISCELLANEOUS SERVICES**

On the effective date of annexation, all other applicable municipal services will be provided to the area in accordance with the City of Lavon's established policies governing extension of municipal services to newly annexed areas.

**PETITION REQUESTING ANNEXATION BY AREA LANDOWNERS**

TO THE MAYOR OF THE GOVERNING BODY OF THE CITY OF LAVON, TEXAS:

The undersigned owners of the hereinafter described tract of land, which is vacant and without residents, or on which fewer than three qualified voters reside, hereby waive the requirement to be offered a development agreement pursuant to Section 43.035 and petition your honorable Body to extend the present city limits so as to include as part of the City of Lavon, Texas, the following described territory, to wit:

**Attachment A**

Description of the territory covered by the petition by metes and bounds

We certify that the above described tract of land is contiguous and adjacent to the City of Lavon, Texas, is not more than one-half mile in width [only limited by Local Government Code Section 43.028], and that this petition is signed and duly acknowledged by each and every person having an interest in said land.

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

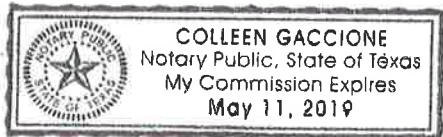
Signed: \_\_\_\_\_

THE STATE OF TEXAS

COUNTY OF Collin

BEFORE ME, the undersigned authority, on this day personally appeared Steve Lenart known to me to be the persons whose names are subscribed to the foregoing instrument and each acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this 15 day of February, 2019



Colleen Gaccione  
Notary Public in and for  
Collin County, Texas.

THE STATE OF TEXAS

COUNTY OF \_\_\_\_\_

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_ known to me to be the persons whose names are subscribed to the foregoing instrument and each acknowledged to me that he executed the same for the purposes and consideration therein expressed.

✓

**Attachment A to Annexation Petition  
Metes and Bounds Description of Property**

BEING a tract of land situated in the Samuel M. Ranier Survey, Abstract Number 470, in the City of Lavon, Collin County, Texas, being part of a tract of land described in a deed to Meredith M. Roark and Margaret M. Arnold, recorded in Document No. 2010526000533270, in the Deed Records of Collin County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod found at the southeast corner of said Roark and Arnold tract, being the southwest corner of a called 140.22 acre tract of land described in a deed to Petro Hunt, LLC, as recorded in Document No. 20070208000186500, in said Deed Records, also being in the north line of a tract of land described in a deed to Northeast Texas Rural Rail Transportation District, recorded in Volume 5585, Page 2680, in said Deed Records;

THENCE South 72 degrees 03 minutes 07 seconds West, with the south line of said Roark and Arnold tract and the north line of said Northeast Texas Rural Rail Transportation District tract, a distance of 1,656.82 feet to a 1/2-inch iron rod with red cap stamped "PJB SURVEYING" set at the southwest corner of said Roark and Arnold tract, being southeast corner of a 0.478 acre tract of land described in a deed to North Texas Municipal Water District, recorded in Document No. 20121116001469900, in said Deed Records;

THENCE North 23 degrees 30 minutes 56 seconds West, departing the north line of said Northeast Texas Rural Rail Transportation District tract, with the west line of said Roark and Arnold tract, and with the east lines of said 0.478 acre tract and a called 0.91 acre tract described in a deed to Mary Evans, recorded in Document No. 200804070014460, in said Deed Records, a distance of 173.19 feet to a 1/2-inch iron rod found;

THENCE North 01 degree 53 minutes 11 seconds West, continuing with the west line of said Roark and Arnold tract, and with the east lines of said 0.91 acre tract and a called 2.062 acre tract of land described in a deed to Connie S. Miller, recorded in Volume 4001, Page 947, in said Deed Records, a distance of 530.40 feet to a 1/2-inch iron rod found at the northeast corner of said 2.062 acre tract;

THENCE South 84 degrees 43 minutes 14 seconds West, continuing with the west line of said Roark and Arnold tract and with the north line of said 2.062 acre tract, a distance of 236.18 feet to a 1/2-inch iron rod found at the northwest corner of said 2.062 acre tract, being in the east line of a tract of land described as Tract Two in a deed to 78 Straddle, LP, recorded in Volume 5571, Page 3351, in said Deed Records, also being the approximate center of Bois D'Arc Lane (no recording information found);

THENCE North 06 degrees 53 minutes 43 seconds West, continuing with the west line of said Roark and Arnold tract, with the east lines of said Tract Two and a tract of land described as Tract No. 2 in a deed to DPB Investments, LP, recorded in Document No. 20110606000576510, in said Deed Records, and along said Bois D'Arc Lane, a distance of 748.23 feet to a 1/2-inch iron rod with red cap stamped "PJB SURVEYING" set at the northeast corner of said Tract No. 2, being in the south line of a called 2.25 acre tract of land described in a deed to MJKMart, LLC, recorded in Document No. 20120906001115340, in said Deed Records;

THENCE South 89 degrees 16 minutes 47 seconds East, continuing with the west line of said Roark and Arnold tract and with the south line of said 2.25 acre tract, a distance of 64.98 feet to a 1/2-inch iron rod found at the southeast corner of said 2.25 acre tract;

THENCE North 11 degrees 02 minutes 32 seconds West, continuing with the west line of said Roark and Arnold tract and with the east line of said 2.25 acre tract, a distance of 490.85 feet to a 1/2-inch iron rod with red cap stamped "PJB SURVEYING" set at the north corner of said 2.25 acre tract, being in the east line of State Highway 78 (variable width right-of-way);

THENCE North 33 degrees 42 minutes 56 seconds East, continuing with the west line of said Roark and Arnold tract and with the east line of said State Highway 78, a distance of 1,298.45 feet to a 5/8-inch iron rod with TxDOT Aluminum cap found on a non-tangent curve to the left, having a radius of 5,729.57 feet and a central angle of 17 degrees 07 minutes 34 seconds;

THENCE continuing with the west line of said Roark and Arnold tract and the east line of said State Highway 78, and with said curve to the left, an arc distance of 1,712.61 feet (Chord Bearing North 25 degrees 17 minutes 32 seconds East – 1,706.24 feet), to a 5/8-inch iron rod with TxDOT Aluminum cap found;

THENCE North 19 degrees 58 minutes 32 seconds East, continuing with the west line of said Roark and Arnold tract and the east line of said State Highway 78, a distance of 419.76 feet to a 1/2-inch iron rod with red cap stamped "PJB SURVEYING";

THENCE North 54 degrees 55 minutes 30 seconds East, continuing with the east line of said State Highway 78, a distance of 87.34 feet to a 5/8-inch iron rod with TxDOT Aluminum cap found in the south line of FM 6 (variable width right-of-way);

THENCE North 89 degrees 32 minutes 36 seconds East, with the south line of said FM 6, a distance of 931.18 feet to a 5/8-inch iron rod with TxDOT Aluminum cap found;

THENCE South 89 degrees 00 minutes 51 seconds East, continuing with the south line of said FM 6, a distance of 376.39 feet to a 5/8-inch iron rod with TxDOT Aluminum cap found in the east line of said Roark and Arnold tract, being in the west line of called 59.757 acre tract described in a deed to Petro Hunt LLC, records in Document No. 20070208000183240, in said Deed Records;

THENCE South 01 degree 00 minutes 58 seconds West, departing the south line of said FM 6, with the east line of said Roark and Arnold tract, and with the west line of said 59.757 acre tract, a distance of 2,424.12 feet to the southwest corner of said 59.757 acre tract, being in the north line of the aforementioned 140.22 acre tract;

THENCE North 88 degrees 51 minutes 38 seconds West, continuing with the east line of said Roark and Arnold tract and with the north line said 140.22 acre tract, a distance of 871.25 feet to a 1/2-inch iron rod found at the northwest corner of said 140.22 acre tract;

THENCE South 01 degree 09 minutes 20 seconds West, continuing with the east line of said Roark and Arnold tract and with the west line said 140.22 acre tract, a distance of 2,042.77 feet to the POINT OF BEGINNING and containing 200.9089 acres of land.



**City of Lavon, Texas**  
**LakePointe Property – 200.9089 acres**

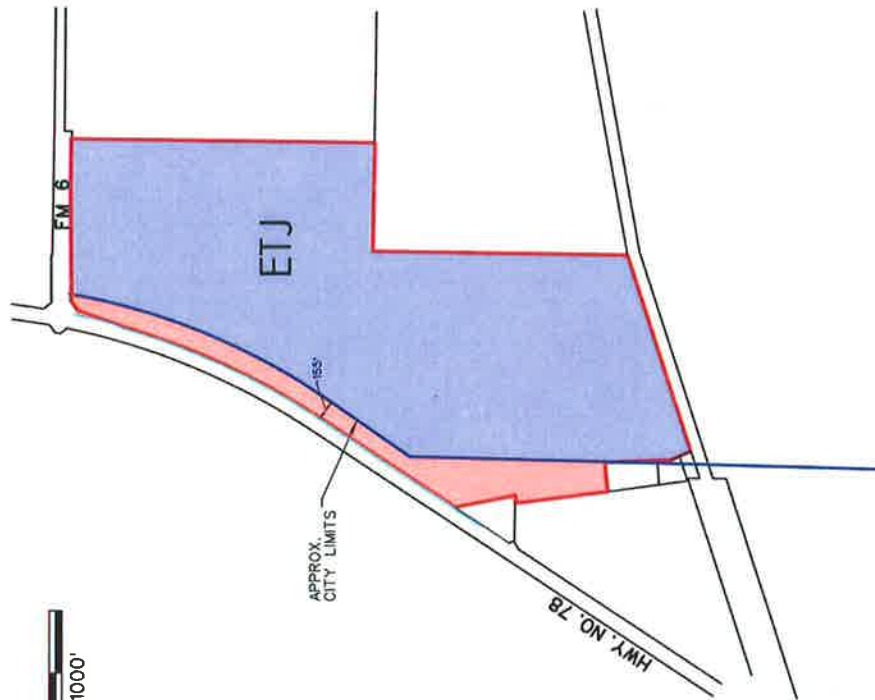
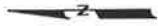
**Tier 2 Municipality - Annexation of Area Exempt  
from the Annexation Plan Requirement  
including Annexation on Request of Area Landowners**

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- May 2 Request for Annexation submitted by landowner to the City
- May 28 Executed Municipal Service Agreement submitted by landowner to the City
- Notice of public hearings to newspaper for publication  
6/5 and 6/19 (no more than 20 or less than 10 days of hearing)
- Jun 4 Consider written service agreement
- Jun 4 Resolution of the City Council regarding municipal services agreement and schedule of public hearings. 6/18 and 7/2 (at least 10 business days apart)
- Jun 5 Publish notice of first hearing. §43.0673 (d). Obtain required affidavit of publication from newspaper.
- Post notice of public hearings on website. §43.0673(d).
- Send written notice to public school district in the area to be annexed. §43.905.
- Send written notice to Collin County, EMS, BCSUD (§ 43.9051)
- Jun 14 Post notice of first public hearing per Open Meetings Act.
- Jun 14 Hold first public hearing. §43.0673.
- Jun 19 Publish notice of second hearing. §43.0673 (d). Obtain required affidavit of publication from newspaper.
- Jun 28 Post notice of second public hearing per Open Meetings Act.
- Jun 28 Post notice of annexation ordinance consideration per Open Meetings Act.
- Jul 2 Hold second public hearing. §43.0673.
- Jul 2 Consider Annexation Ordinance



# EXHIBIT '1A'



**CORWIN ENGINEERING, INC.**  
200 W. Belmont, Suite E Allen, Texas 75013 (972) 396-1200  
TBPLS#0031700

**CITY LIMIT EXHIBIT**  
LAKEPOINTE  
CITY OF LAVON  
COLLIN COUNTY, TEXAS



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**DEVELOPMENT AGREEMENT**

*Excerpt*

This Development Agreement (the "**Agreement**") is made and entered into as of the 19 day of MAY, 2019 (the "**Effective Date**"), by and between THE CITY OF LAVON, TEXAS (the "**City**"), LDC LAVON, LLC ("**LDC Lavon**"), and LAVON LAKEPOINTE DEVELOPMENT, LLC (the "**Developer**") (the City, Developer and LDC Lavon individually, a "**Party**", and collectively, the "**Parties**").

**RECITALS**

**WHEREAS**, the City is a general law Type A municipal corporation duly organized and validly existing under the laws of the State of Texas located within Collin County, Texas; and

**WHEREAS**, LDC Lavon and the Developer are Texas limited liability companies whose principal office is located within Collin County, Texas; and

**WHEREAS**, LDC Lavon owns an approximately 200 acre tract of land located in Collin County, Texas, and more particularly described by metes and bounds in **Exhibit A-1** and depicted on **Exhibit B-1** attached hereto (the "**Property**") that it plans to convey to Developer in phases; and

**WHEREAS**, Developer plans to acquire and develop the Property in phases; and

**WHEREAS**, as of the Effective Date, a portion of the Property is located in the corporate limits of the City (the "**City Property**") and the remainder of the Property is located within the extraterritorial jurisdiction ("**ETJ**") of the City (the "**ETJ Property**"), with the City Property and ETJ Property depicted on **Exhibit B-3**; and

**WHEREAS**, the Parties desire that the entire ETJ Property be located and developed within the corporate limits of the City as set forth herein, and the Developer and LDC Lavon, as applicable, desire to execute a petition for voluntary annexation attached hereto as **Exhibit C** (the "**Annexation Petition**"); and

**WHEREAS**, Chapter 212 of the Texas Local Government Code, allows the Parties to establish development regulations and annexation timing for the ETJ Property; and

**WHEREAS**, immediately following annexation of the Property, the Parties desire to zone the Property for land uses in accordance with the planned development standards ("**Development Regulations**") attached hereto as **Exhibit D**; and

**WHEREAS**, the Bear Creek Special Utility District ("**Bear Creek SUD**") holds the water certificate of convenience and necessity ("**CCN**") for the Property, and Bear Creek SUD will be the retail provider of water service to and for the Property; and

**WHEREAS**, the City holds the sanitary sewer CCN for a portion of the Property, the Parties intend and desire for the City to be the retail provider of sanitary sewer service to and for the entire Property; and

**WHEREAS**, the cost of the Public Improvements does not allow for the Developer's intended development of the Property in a cost-effective and market-competitive manner without participation by the City; and

**WHEREAS**, the Parties have determined that the financing of all or a portion of the costs of the Public Improvements necessary for the development of the PID Property, can be achieved by means of Chapter 372, Texas Local Government Code, as amended, entitled the Public Improvement District Assessment Act ("**PID Act**"); and

**WHEREAS**, the Parties desire for a public improvement district ("**PID**") to be created by the City pursuant to available statutory means, which PID shall be utilized to aid in the development of the PID Property pursuant to the terms of this Agreement and the PID Documents (hereinafter defined); and

**WHEREAS**, the Parties have determined that the PID will not be utilized to finance the costs of the Water Improvements necessary for the development of the PID Property, and the Developer or Owner (as hereinafter defined) will fund the costs of such Water Improvements; and

**WHEREAS**, Owners have contemporaneously executed an Annexation Petition to the City to annex the ETJ Property as consideration for this Agreement, the creation and utilization of the PID, and satisfaction of all of the other obligations, conditions and commitments set forth herein; and

**WHEREAS**, the Owners request that the City's council (the "**City Council**") shall begin the process of annexing the Property prior to or contemporaneous with the authorization of the first series of PID Bonds pursuant and subject to the attached Annexation Petition and this Agreement; and

**WHEREAS**, due to the location and other natural features of the Property, funding the cost of the Public Improvements in accordance with this Agreement will allow the intended development of the Property to be accomplished sooner than it would otherwise occur; and

**WHEREAS**, the City has determined that full development of the Property as provided herein will promote local economic development within the City and will stimulate business and commercial activity within the City, which will drive infrastructure investment and job creation, and have a multiplier effect that increases both the City's tax base and utility revenues; and

**WHEREAS**, the Parties intend that this Agreement be a development agreement as provided for by Section 212.172 of the Texas Local Government Code; and

**WHEREAS**, it is the intent of this Agreement to establish certain legally binding restrictions and commitments to be imposed upon the Parties and the Property, such restrictions and commitments being subject to the terms and provisions of this Agreement, and the Parties are proceeding in reliance on the enforceability of this Agreement; and

5.02 Water Service. The Parties acknowledge and agree that water capacity will be needed in phases as development of the Property progresses. LDC Lavon and Developer acknowledge that the City does not have a water CCN and cannot provide water service to the Property or for the Developer's completion of the Public Improvements. The Parties acknowledge and agree that Bear Creek SUD will be the exclusive provider of retail water service, unless and until the City's CCN for water is granted in this area.

5.03 Wastewater Service. The Parties acknowledge that the City has a CCN to provide retail sewer service to the City Property. Subject to satisfaction of all Conditions Precedent, LDC Lavon and Developer acknowledge and agree to the City's designation as the sole and exclusive retail sewer service provider to the City Property and the ETJ Property.

5.04 No Limitation on City's Rights as the Wastewater Provider. Nothing in this Agreement is intended to limit any right the City has under its wastewater CCN as the retail provider of wastewater service to the Property, including CCNs acquired after the Effective Date.

## ARTICLE VI ANNEXATION AND ZONING

### 6.01 Full Purpose Annexation.

(a) Annexation Petition. LDC Lavon and the Developer agrees that approval of this Agreement by the City shall be conditioned upon an executed Annexation Petition, in the form attached hereto as Exhibit C, of the ETJ Property being submitted to the law firm of Messer, Rockefeller & Fort, PLLC within ten (10) business days of the City Council approving this Agreement and prior to execution of this Agreement by the Parties. This petition shall be held in trust by aforesaid law firm until this Agreement is executed by both the City and the Developer, and no ordinance annexing the Property shall be approved by the City until, but notices may be sent and public hearings may be held prior to, satisfaction of the Conditions Precedent.

(b) Following the Effective Date of this Agreement, the City agrees to (i) annex the ETJ Property into the City's corporate limits (ii) concurrently zone the ETJ Property as a planned development, and (iii) if requested by Developer, concurrently approve the preliminary plat of the Property subject to Developer delivering the preliminary plat to the City on or before the deadlines set forth in the City Regulations for submission and approval of preliminary plats. An amendment to or compliance with the City's Comprehensive Master Plan, Land Use Plan or Zoning Ordinance (as defined in the Development Regulations) shall not be a condition to the zoning of the Property as long as such zoning is in accordance with the Development Regulations and the Concept Plan. Developer shall initiate a rezoning of the Property using the procedures set forth in the City Regulations as a Planned Development District or similar zoning classification consistent with Exhibit D and Exhibit E at a time that will allow the City to concurrently consider zoning with the annexation.

6.02 Plat(s). All approved plats shall be consistent with the Concept Plan.



**CITY OF LAVON  
CITY COUNCIL  
Agenda Brief**

**MEETING: June 4, 2019**

**ITEM: 8 - D**

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**Item:**

Discussion and action regarding the preliminary plat of the LakePointe addition on 200.909 acres of land situated in the Samuel M. Rainer Survey, Abstract No. 740, (CCAD Property ID 2663916), southeast of the intersection of SH 78 and FM 6, Collin County, Texas and consisting of 700 residential lots and 1 retail lot.

**Application Information**

- Owner(s):** LDC Lavon, LLC
- Applicant:** Corwin Engineering, Inc.
- Location:** Southeast of the intersection of SH 78 and FM 6 and north of the NETEX right of way
- Description:** Samuel M. Rainer Survey, Abstract No. 740, CCAD property ID 2663916 Collin County, Texas (200.909 acres)
- Current Zoning:** Zoning application pending – Planned Development for residential and commercial uses
- Request:** Preliminary Plat

**Request Details**

The applicant is seeking approval of a preliminary plat for the LakePointe addition. The proposed preliminary plat conforms to the development design regulation and concept plan that were included in a development agreement with the developer approved by the City Council on March 19, 2019.

Earlier this year in January and March, the developer conducted work sessions regarding the proposed development design regulations and concept plan and to which the City Council, Planning and Zoning Commission and public were invited to attend and participate.

The proposed development takes primary access from SH 78 and a secondary access from FM 6. The proposed lot layout is consistent with the concept plan approved in the development agreement.

The property is primarily situated in the extraterritorial jurisdiction of the city with a small portion located in the corporate limits along SH 78. A petition for annexation has been accepted by the City Council and annexation and formal zoning are pending. An application for a zoning change and amendment to the comprehensive Plan have been received and are presently in process.

**Excerpt:**

**TEXAS LOCAL GOVERNMENT CODE  
§ 212.004. PLAT REQUIRED**

PLAT REQUIRED. (a) The owner of a tract of land located within the limits or in the extraterritorial jurisdiction of a municipality who divides the tract in two or more parts to lay out a subdivision of the tract, including an addition to a municipality, to lay out suburban, building, or other lots, or to lay out streets, alleys, squares, parks, or other parts of the tract intended to be dedicated to public use or for the use of purchasers or owners of lots fronting on or adjacent to the streets, alleys, squares, parks, or other parts must have a plat of the subdivision prepared. A division of a tract under this subsection includes a division regardless of whether it is made by using a metes and bounds description in a deed of conveyance or in a contract for a deed, by using a contract of sale or other executory contract to convey, or by using any other method. A division of land under this subsection does not include a division of land into parts greater than five acres, where each part has access and no public improvement is being dedicated.

***Infrastructure:***

Water

The development is located within the certificated area of the Bear Creek Special Utility District (SUD). A conceptual water plan has been submitted and reviewed.

Sewer

The development will be served by the City of Lavon sanitary sewer system. The developer is installing an oversized trunk line to connect to the existing system.

Roads

The development provides for the dedication of appropriate right of way along SH 78 and FM 6 and provides for cross access to the property directly east of the subject property. A Traffic Impact Analysis (TIA) has been completed and improvements will be required as prescribed by the TIA and approved by the city engineer.

Parkland

There are four public park areas, an amenity center area that will be reserved for residents of the development and trails connecting the forgoing.

Floodplain and Drainage

The drainage and grading plans will take into account off-site drainage upstream and in the vicinity of the subdivision. The conceptual drainage plans have been reviewed by the city engineer.

**Staff Notes:**

The addition is to be developed in phases that will be submitted individually for final plat consideration. The applicant met with the City staff development review committee and has complied with staff and city engineer review notes.

**Planning & Zoning Commission Action:**

**MOTION: RECOMMEND APPROVAL OF THE PRELIMINARY PLAT OF THE LAKEPOINTE ADDITION ON 200.909 ACRES OF LAND SITUATED IN THE SAMUEL M. RAINER SURVEY, ABSTRACT NO. 740, (CCAD PROPERTY ID 2663916), SOUTHEAST OF THE INTERSECTION OF SH 78 AND FM 6, COLLIN COUNTY, TEXAS AND CONSISTING OF 700 RESIDENTIAL LOTS AND 1 RETAIL LOT, SUBJECT TO APPROPRIATE ZONING AND COMPREHENSIVE PLAN LAND USE DESIGNATION AND THE SATISFACTION OF ANY CITY ENGINEER COMMENTS .**

MOTION MADE: TIEGS  
SECONDED: NABORS  
APPROVED: UNANIMOUS

Approval of the preliminary plat is recommended subject to 1) approval of a comprehensive plan amendment and zoning and 2) satisfaction of any city engineer comments.

- Attachments:**
1. Application
  2. Proposed Preliminary Plat
  3. Location Exhibits
  4. Engineering Comments and Responses

May 30, 2019



# CITY OF LAVON

P.O. Box 340 – 120 School Rd. – Lavon, TX 75166  
 Office 972-843-4220 – Fax 972-843-0397 – Inspection 972-853-0855  
 Email: leann.mcclendon@cityoflavon.org

## PLAT APPLICATION

Please type or print clearly. Incomplete applications will not be accepted.

<b>Company Making Submission</b>			<b>Property Owner</b>		
Name: <u>Corwin Engineering, Inc.</u>			Name: <u>LDC Lavon, LLC.</u>		
Address: <u>200 W. Belmont, Ste. E</u>			Address: <u>520 Central Pkwy E, Ste. 104</u>		
City/State/Zip: <u>Allen, Tx 75013</u>			City/State/Zip: <u>Plano, Tx 75074</u>		
Phone #: <u>972-396-1200</u>		Fax #: _____	Phone #: <u>469-440-2701</u>		Fax #: _____
Authorized Person: <u>Warren Corwin</u>			Authorized Person: <u>Steve Lenart</u>		
<b>Type of Submission</b>		<b>Date</b>	<b>Check List of Items Submitted</b>		
<input checked="" type="checkbox"/> Preliminary Plat		<u>4/11/19</u>	<input checked="" type="checkbox"/> (two) full size sets of plats (24x36)		
<input type="checkbox"/> Final Plat			<input type="checkbox"/> (two) full size construction sets (24x36)		
<input type="checkbox"/> Re-Submittal			<input checked="" type="checkbox"/> (one) half size sets of plats (11x17)		
<input type="checkbox"/> Construction Plans			<input type="checkbox"/> (ten) half size sets of plats with final submission (11x17)		
<input type="checkbox"/> Other			<input checked="" type="checkbox"/> (one) PDF plats (on separate CD's)		
			<input type="checkbox"/> (one) PDF construction plans (can be included on plat CD)		
<b>Pricing</b>					
Preliminary Plat: C*D*		\$325.00 plus \$5.00 per lot (Plus engineer review costs)			
Final Plat: C*D*		\$325.00 plus \$5.00 per lot plus \$50.00 filing fee (Plus engineer review costs)			
Re-Plat: C*D*		\$325.00 plus \$5.00 per lot plus \$50.00 filing fee (Plus engineer review costs)			
Public Infrastructure Inspection: C*E*		4 percent of project or Cost (whichever is greater)			
<p>C* Costs shall include the actual costs to the City plus a 10 percent administrative fee. These fees shall be in addition to the permit fee required.          D* A deposit of \$500.00 shall be required to cover engineers review, with additional costs to be billed upon engineers recommendation. Any portion of the deposit not used shall be refunded after the engineer's recommendation.          E* An estimate of the testing and inspection shall be made at the time of the engineers review of construction plans and a deposit equal to that amount shall be due before any construction may begin, with additional costs to be billed when the costs are incurred.</p>					
<b>NOTICE TO APPLICANT:</b> Any approval will be issued based on the information furnished in this application and on any submitted plats. It is subject to the provisions and requirements of the City of Lavon Code of Ordinances (# 2002-01-03) and any other applicable ordinances of the City, regardless of information and/or plans submitted.					
Authorized Representative (Printed Name) <u>Steve Lenart</u>		Authorized Representative (Signature) 			Date: <u>4/11/19</u>
<b>To be completed by the City</b>					
In Takers Name:					
In takers Review Date:	PW Review Date:	COO Review Date:	Engineer Review Date:	P&Z Review Date:	Council Action Date:
<input type="checkbox"/> Accepted	<input type="checkbox"/> Approved	<input type="checkbox"/> Approved	<input type="checkbox"/> Approved	<input type="checkbox"/> Approved	<input type="checkbox"/> Approved
<input type="checkbox"/> Rejected	<input type="checkbox"/> Rejected	<input type="checkbox"/> Rejected	<input type="checkbox"/> Rejected	<input type="checkbox"/> Rejected	<input type="checkbox"/> Rejected
Comments:					



**CITY OF LAVON**

P.O. Box 340 - 120 School Rd. - Lavon, TX 75166  
Office 972-843-4220 - Fax 972-843-0397 - Inspection 972-853-0855  
Email: leann.mcclendon@cityoflavon.org

**PLAT APPLICATION**

Please type or print clearly. Incomplete applications will not be accepted.

**Authorization of Representation**

Date: 4/11/19

To the City of Lavon  
Collin County, Texas

This letter will serve as notice that I/we, LDC Lavon, LLC. - Steve Lenart, am/are the owner (s) of record of the property described in the attached survey documentation, submitted with this form, and do hereby authorize Corwin Engineering, Inc. - Warren Corwin to represent me (us) and my (our) interests in the property described in the attached exhibits (s) for the expressed purpose of this request.

[Signature]  
Signature (Owner) LDC Lavon, LLC  
Steve Lenart, Manager

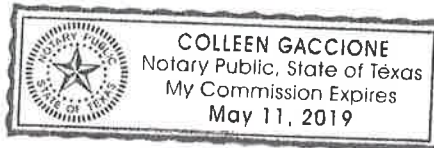
\_\_\_\_\_  
Signature (Owner)

\_\_\_\_\_  
Signature (Owner)

The State of Texas  
County of Collin

Before me, the undersigned authority, appeared Steve Lenart, Mgr.  
on this the 11 day of April, 2019.

[Signature]



(notary seal)

Notary Public in and for Collin County, Texas



**CITY OF LAVON**

P.O. Box 340 – 120 School Rd. – Lavon, TX 75166  
Office 972-843-4220 – Fax 972-843-0397 – Inspection 972-853-0855  
Email: leann.mcclendon@cityoflavon.org

**PLAT APPLICATION**

Please type or print clearly. Incomplete applications will not be accepted.

**Declaration of Ownership**

Date: 4/11/19

To the City of Lavon  
Collin County, Texas

This letter will serve as notice that I/we, LDC Lavon, LLC. - Steve Lenart, am/are the owner (s) of record of the property described in the attached survey documentation, submitted with this form, for the purpose of any future proposed request (s) relating to this property.

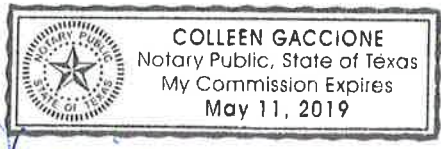
[Signature]  
Signature (Owner) LDC Lavon, LLC  
Steve Lenart, Manager

\_\_\_\_\_  
Signature (Owner)

\_\_\_\_\_  
Signature (Owner)

The State of Texas  
County of Collin

Before me, the undersigned authority, appeared Steve Lenart, Manager  
on this the 11<sup>th</sup> day of April, 2019.



(notary seal)

[Signature]

Notary Public in and for Collin County, Texas



**CITY OF LAVON**

P.O. Box 340 – 120 School Rd. – Lavon, TX 75166  
Office 972-843-4220 – Fax 972-843-0397 – Inspection 972-853-0855  
Email: leann.mcclendon@cityoflavon.org

**PLAT APPLICATION**

Please type or print clearly. Incomplete applications will not be accepted.

**APPLICANT STATEMENT (select one):**

I understand that the <sup>preliminary</sup> plat for Lake Pointe will not be scheduled for consideration by the Planning & Zoning Commission until such time as all staff comments have been addressed. I hereby waive the requirement that the plat be acted on by the Planning and Zoning Commission and/or the City Council within 30 days under the provisions of the Texas Local Government Code, Section 212.009, and understand and agree that the plat will be considered when it is administratively complete which may be longer than 30 days after the plat is filed; or

\_\_\_\_\_ I hereby request that the plat for \_\_\_\_\_ be scheduled for consideration at the next Planning & Zoning Commission meeting, regardless of the review process and staff determination that the application is administratively complete. I understand that a staff recommendation for approval of an application is generally forthcoming only for submissions deemed administratively complete and for which all staff comments have been addressed. I further understand that if my application is not approved, new application fees will be required for reconsideration.

**I AM THE OWNER OR AGENT AUTHORIZED TO MAKE THE ABOVE STATEMENTS AND REPRESENTATIONS HEREIN ON BEHALF OF THE OWNER.**

Signature: [Signature]  
Owner / Authorized Agent

4/10/19  
Date

Printed Name: Steve Lenart  
Owner / Authorized Agent

Title: Manager

Company: LDC Lousa, LLC



PRELIMINARY  
OVERALL PLAN

**LAKEPOINTE**  
700 TOTAL RESIDENTIAL LOTS  
14 TOTAL OPEN SPACES AND LOTS  
110A BEAR HOLLOW LOTS  
200,909 ACRES

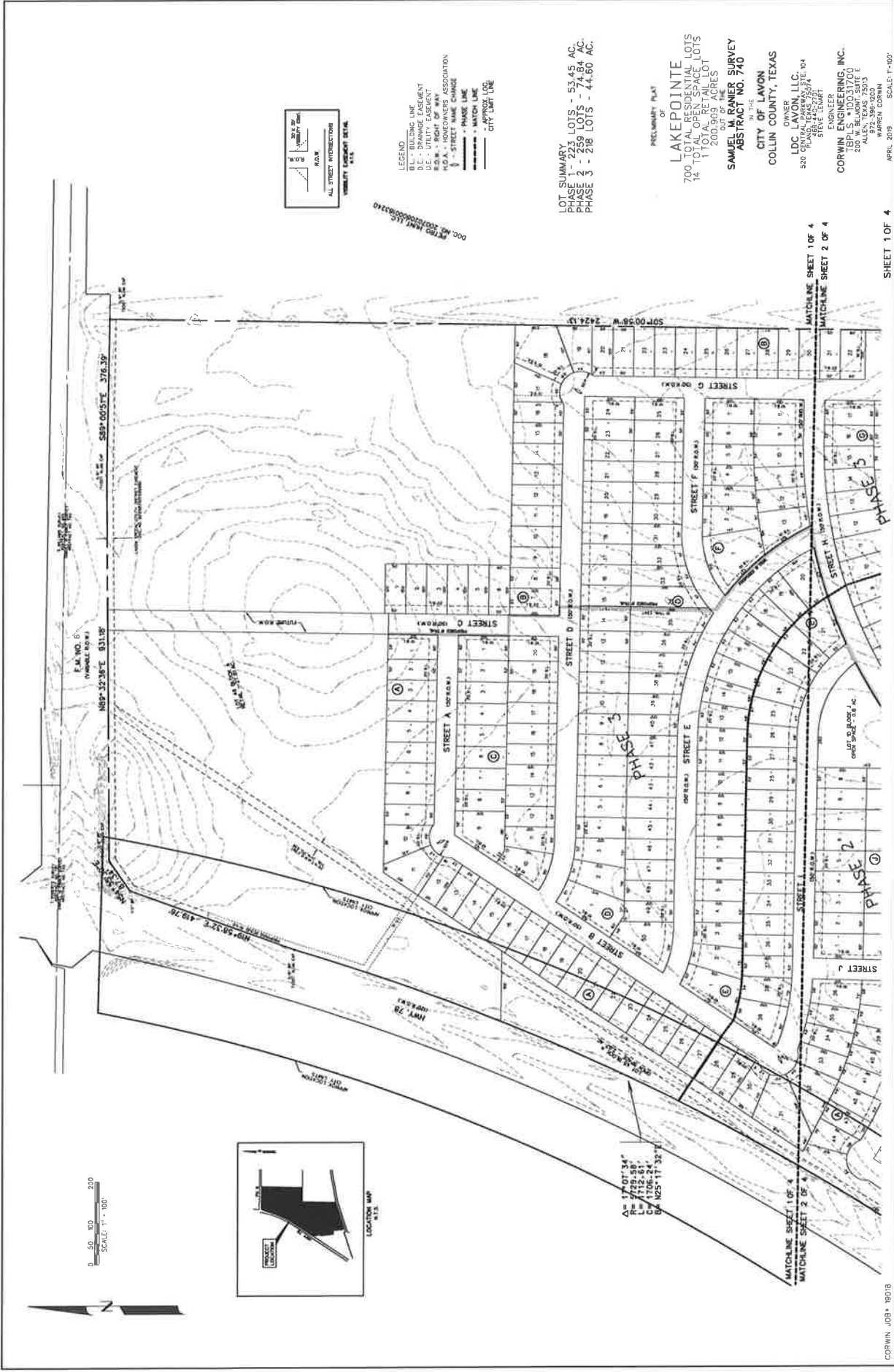
SAMUEL M. RAMER SURVEY  
OUT OF THE  
ABSTRACT NO. 740

CITY OF LAVON  
COLLIN COUNTY, TEXAS

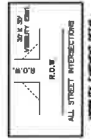
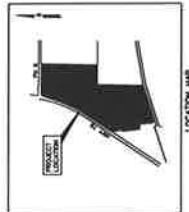
LDC LAVON, LLC  
DRIVER  
320 CENTRAL PARKWAY, STE. 104  
FARMERSVILLE, TEXAS 75426  
281.442.2201  
281.442.2202  
ENGINEER

CORWIN ENGINEERING, INC.  
TBP#S: 10031700  
281.442.2201  
ALLEN, TEXAS 75013  
872-398-8200  
WWW.CE.IAENETX.COM

APRIL 2018 SCALE: 1"=200'



0 50 100 200  
SCALE: 1" = 100'



LEGEND  
 --- TRING LINE  
 --- DRAINAGE EASEMENT  
 --- UTILITY EASEMENT  
 --- HOUSING ASSOCIATION  
 --- STREET NAME CHANGE  
 --- PHASE LINE  
 --- MATCH LINE  
 --- PROPERTY LINE  
 --- CITY LIMIT LINE

LOT SUMMARY  
 PHASE 1 - 223 LOTS - 53.45 AC.  
 PHASE 2 - 259 LOTS - 74.84 AC.  
 PHASE 3 - 218 LOTS - 44.60 AC.

PRELIMINARY PLAN  
 OF  
**LAKEPOINTE**  
 700 TOTAL RESIDENTIAL LOTS  
 14 TOTAL OPEN SPACE LOTS  
 170,000 SQUARE FEET  
 230,000 SQUARE FEET  
 OUT OF THE  
**SAMUEL M. RANIER SURVEY**  
**ABSTRACT NO. 740**  
**CITY OF LAVON**  
**COLLIN COUNTY, TEXAS**  
 LDC LAVON, LLC  
 520 CENTRAL PARKWAY, STE. 84  
 FORT WORTH, TEXAS 76104  
 817-342-0201  
 ENGINEER  
**CORWIN ENGINEERING, INC.**  
 2015 W. WILSON ST. #100  
 DALLAS, TEXAS 75201  
 972-398-1000  
 APRIL 2019 SCALE: 1"=80'

APRIL 2019 SCALE: 1"=80'

SHEET 1 OF 4

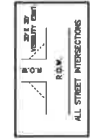
CORWIN JOB 19018



0 50 100 200  
SCALE: 1" = 100'

LEGEND  
 BL - BUILDING LINE  
 BE - EASEMENT  
 LE - UTILITY EASEMENT  
 R.O.W. - RIGHT OF WAY  
 H.O.W. - HOMEOWNERS ASSOCIATION  
 H.O.A. - STREET NAME CHANGE  
 --- PHASE LINE  
 --- MATCH LINE

PETRO HUNT, L.L.C.  
 DOC. NO. 200705060008800



LEGEND  
 --- BUILDING LINE  
 --- BRASSAGE EASEMENT  
 --- UTILITY EASEMENT  
 --- HOMEOWNERS ASSOCIATION  
 --- STREET NAME CHANGE  
 --- PHASE LINE  
 --- MATCH LINE  
 --- CITY LIMIT LINE

PRELIMINARY PLAT  
 OF  
**LAKEPOINTE**  
 700 TOTAL RESIDENTIAL LOTS  
 14 TOTAL OPEN SPACE LOTS  
 1,200,909 SQUARE FEET  
 27.9 ACRES

SAMUEL M. RANER SURVEY  
 ABSTRACT NO. 740  
 CITY OF LAVON  
 COLLIN COUNTY, TEXAS  
 LDC LAVON, L.L.C.  
 580 CENTRAL PARKWAY, STE. 104  
 FORT WORTH, TEXAS 76102  
 SURVEYOR  
 CORWIN ENGINEERING, INC.  
 1919 S. WOODBRIDGE  
 FORT WORTH, TEXAS 76104  
 972-395-1200  
 APRIL 2019 SCALE: 1"=100'

MATCHLINE SHEET 2 OF 4  
 MATCHLINE SHEET 3 OF 4

MATCHLINE SHEET 1 OF 4  
 MATCHLINE SHEET 7 OF 7

MATCHLINE SHEET 4  
 SHEET 3 OF 4  
 MATCHLINE SHEET 5  
 SHEET 3 OF 4



50 100 200  
SCALE: 1" = 100'

DEVELOPER NOT RESPONSIBLE  
FOR IMPROVEMENTS TO BOIS D'ARC RD.  
DMP INVESTMENTS, L.P.  
DOC. NO. 201808000576150

MANAGER, LLC  
DOC. NO. 202005000103140

ALL STREET INTERSECTIONS  
VARIABLE EASEMENT SETBACK  
10 FT.

LEGEND  
 --- EXISTING LOT  
 --- SWAP/EASEMENT  
 --- UTILITY EASEMENT  
 --- RIGHT OF WAY  
 --- STREET NAME CHANGE  
 --- PHASE LINE  
 --- MATCH LINE  
 --- APPROX. LOC. CITY LIMIT LINE

78 STRABRE, L.P.  
VOL. 5873, PG. 351

FAR EAST LAYON, LP  
VOL. 5873, PG. 352

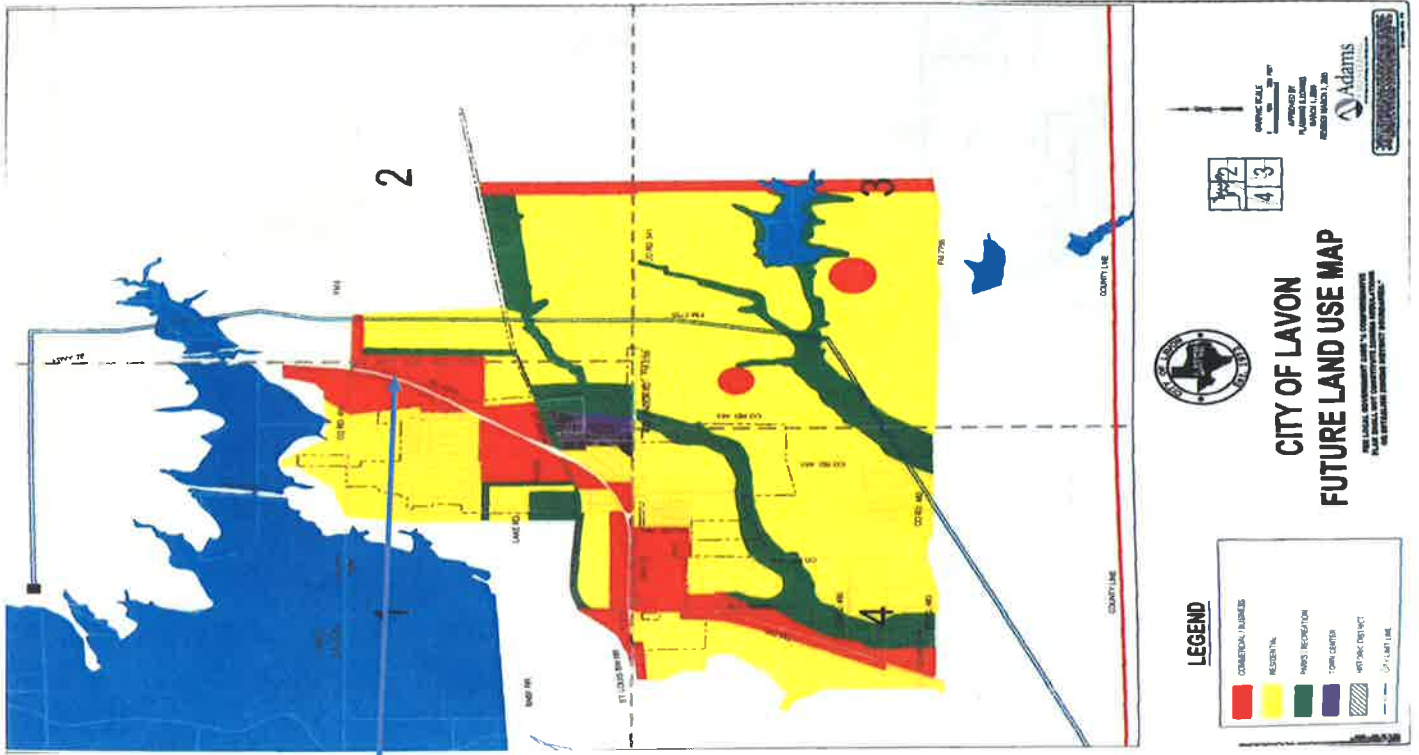
PRELIMINARY PLAN  
 OF  
**LAKEPOINTE**  
 700 TOTAL RESIDENTIAL LOTS  
 14 TOTAL OPEN SPACES  
 1 TOTAL RETAIL LOT  
 1,200,909 ACRES  
 OUT OF THE  
 SAMUEL M. RANIER SURVEY  
 ABSTRACT NO. 740  
 CITY OF LAVON  
 COLLIN COUNTY, TEXAS  
 OWNER  
 LDC LAVON, LLC  
 530 CENTRAL PARKWAY, STE. 104  
 DALLAS, TEXAS 75241  
 ENGINEER  
 CORWIN ENGINEERING, INC.  
 TBPPLS #10031700  
 2800 N. TEXAS STREET  
 ALLEN, TEXAS 75013  
 972-396-6000  
 WWW.CE100.COM  
 APRIL, 2019 SCALE 1"=100'

SHEET 3 OF 4

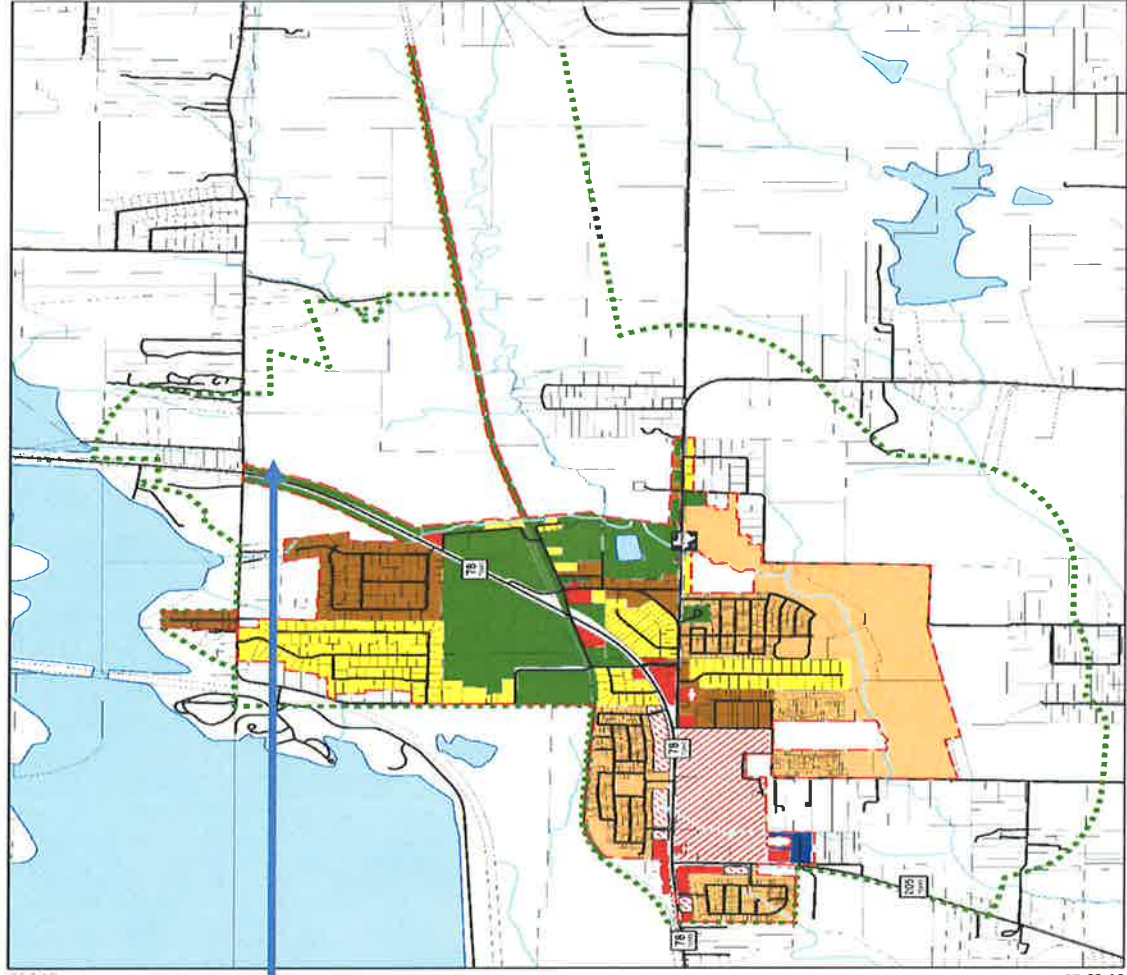


# Future Land Use Map

## LakePointe



# Zoning Map LakePointe



## ZONING MAP

Ordinance No. 2019-03-02  
March 19th, 2019



### Legend

- Agricultural (A)
- Single Family-1 (SF-1)
- Single Family-2 (SF-2)
- Retail (R)
- Planned Development – Single Family (PD-SF)
- Planned Development – Mixed Use (PD-MU)
- Planned Development – Commercial (PD-C)
- Planned Development – Business (PD-B)
- Lavon City Limits

For Planned Development Regulations  
See the City of Lavon Ordinance applicable to the specific site

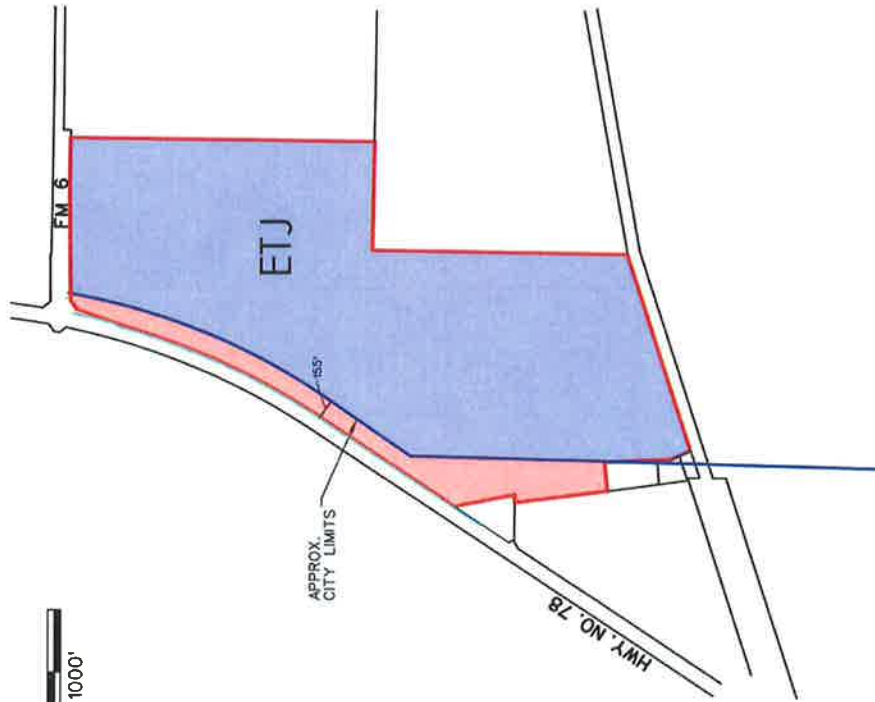
### Unassigned Zoning Districts

- Single-Family -4 (SF-4)
- Main Street
- Business Park District (B-2)

For General Regulations of these Zoning Districts  
see the City of Lavon Zoning Ordinance

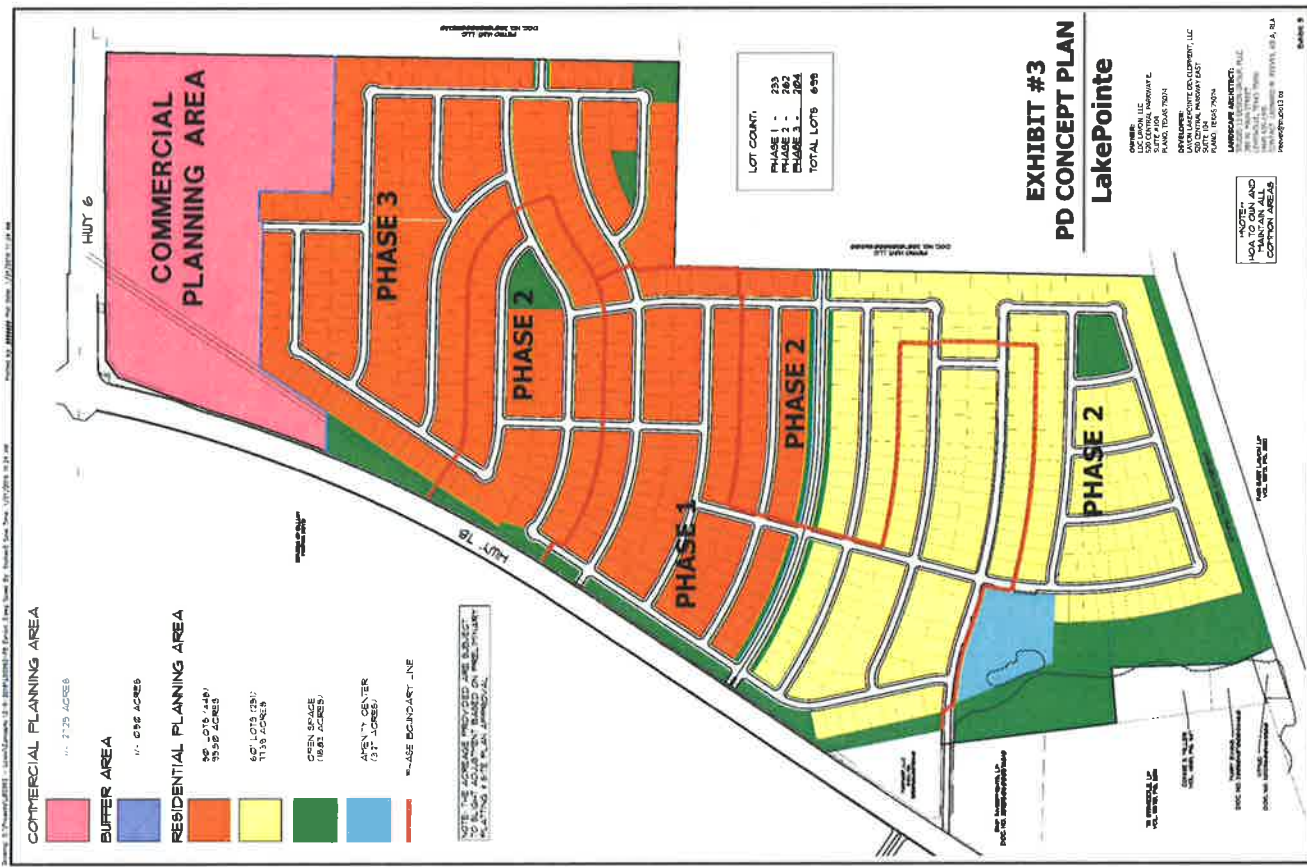
0 0.2 0.4 0.8 Miles

# EXHIBIT '1A'



CITY LIMIT EXHIBIT  
LAKEPOINTE  
CITY OF LAVON  
COLLIN COUNTY, TEXAS

 **CORWIN ENGINEERING, INC.**  
200 W. Belmont, Suite E Allen, Texas 75013 (972) 396-1200  
TBPLS#10031700



VICTOR L. ACUY, P.E.  
RICHARD A. DORMIER, P.E.  
JOHN D. GATTIS, A.I.A.  
MARK D. HILL, P.E.  
DAMIR LULO, P.E.  
MICHAEL K. STACEY, P.E.  
LARRY J. FREEMAN, P.E.

May 24, 2019

Ms. Kim Dobbs  
City of Lavon  
PO Box 340  
120 School Road  
Lavon, TX 75166

Re: LakePointe, 700 Lots, 14 open space, 1 retail, 200.909 Acres  
Preliminary Plat

Dear Ms. Dobbs:

As requested, we have reviewed the revised Preliminary Plat and Preliminary Drainage, Sanitary Sewer and Water plans dated April, 2019 as prepared by Corwin Engineering, Inc.. for the above referenced property. The property is located on the east of SH 78, south of FM 6 and north of the NETEX railroad property.

All previous comments have been satisfactorily addressed.

The section for Street Q has been modified per discussion with the Developer and Engineer. A copy of the sheet with the typical section is attached.

This concludes our review of the above referenced Preliminary Plat and Plans. **We recommend approval of the Preliminary Plat.**

The review conducted by FMI was for the limited purpose of code and ordinance compliance review for the exclusive benefit of the City of Lavon. The above referenced documents were not reviewed as to their quality or for errors on the part of the surveyor or engineer.

If there are any questions, please contact me at 214-503-0555 x115 or by email at [mdhill@fmi-dallas.com](mailto:mdhill@fmi-dallas.com).

Sincerely,  
FREEMAN-MILLICAN, INC.



Mark D. Hill, P.E.  
Consulting City Engineer

Attachment

Cc: Sonny Mancias, Mike Jones, Warren Corwin, Steve Lenart

F:\17024 - LAV General Servies\9 - Review\Lakepointe (Lenart)\Lakepointe - Preliminary Plat - Rev 2.docx





## CORWIN ENGINEERING, INC.

200 W. Belmont • Suite E • Allen TX 75013  
(972) 396-1200 • FAX (972) 396-4987

May 2, 2019

Kim Dobbs  
City of Lavon  
120 School Road  
Lavon, Texas 75166

RE: Lakepointe

Dear Ms. Dobbs,

The following is our response to the comments provided on April 30<sup>th</sup>, regarding the above-referenced project.

### **General**

1. The property is being platted into 700 residential lots, 14 HOA open spaces and 1 retail lot.
2. Only a portion of the project along SH 78 is located within the corporate limits. The remainder is within the City's ETJ.

### **Preliminary Plat**

3. This development has been previously identified as "LakePointe", not "LakePointe Estates". Surveyor to verify.

*Revised*

4. Sheet 1 of 4 is missing a barscale.

*Added barscale*

5. The Preliminary Plat should include contours.

*Added contours*

6. A proposed street name list should be provided for City review.

*List sent to Kim on 5/2/2019.*

7. The Plat should include a typical street section(s) detail.

*Added details. See Sheet 4*

8. The Plat should include the proposed trail location and alignment.

*Added trail location*

9. A boundary closure should be provided for City records.

See attached

10. Curve data for the segment along SH 78 has not been provided on the drawing.

Added data

11. The east property line distance differs between the drawing and the Legal Description. This should be corrected.

Revised

12. The existing Corporate Limits should be shown on the Plat.

Added limits

13. The width of the existing NTMWD easement should be shown.

Added width

14. There appears to be a 15' utility easement along SH 78.

a. This should be clearly identified as existing or proposed.

b. This appears to be a BCSUD easement, it should be identified as such and meet the BCSUD requirements for easements.

It is a proposed BCSUD easement and labeled.

15. The Plat should show a future connection road to FM 6.

Added connection

16. Visibility easements are 30' x 30' per City Ordinance.

Revised

17. Street Q should be a 70' ROW with 4-12' lanes. The open space areas can be reduced to 15' to maintain the overall 100' width.

Per Exhibit 4C of the Development Regulations, which is Exhibit 4 to the approved Development Agreement, the Collector Road is shown as a 60' wide ROW with a 37' wide paving section.

18. Existing perimeter streets and street names should be provided.

Added names

19. The Developer should verify if Bois D'Arc improvements are included in this project as shown.

The developer is not responsible for the extension of Bois D' Arc.

20. The property owner name west of the development differs between the drawing and the Legal Description. This should be corrected.

Revised

21. The southernmost property corner description differs between the drawing and the Legal Description. This should be corrected.

Revised

22. The Point of Beginning should be identified.

Added notation

23. The Surveyor should verify that the existing NTMWD easement along the NETEX railroad property is part of Lot 60, Block U.

Yes, this easement part of Lot 60.

24. Sheet 4 of 4 should include the Approval Block, common area reservations, etc.

Added approval block

**Preliminary Drainage Plan**

25. The drainage plan should provide sufficient information to determine the anticipated increase in flow from the development over existing and the proposed mitigation of the additional flows.

Detention pond calculations added.

26. Existing drainage basins should be based upon contours, not property lines.

Revised as requested.

27. All drainage basins should be identified in the plan. This plan should clearly identify the proposed method of mitigating any excess runoff onto adjacent properties.

An existing conditions drainage area map has been added to the submittal and detention calculations and ponds have been added to the proposed conditions drainage area map.

28. It appears that a portion of the property to the east flows to this property. This should be addressed in the drainage plan.

The original contours were aerial, the contours on the revised plan are from an on the ground survey. There is a natural swale along the northeast boundary that keeps the offsite flow from draining onto this site.

**Preliminary Sanitary Sewer Plan**

29. The Engineer should provide the anticipated wastewater production form the development (per phase if possible).

Table showing proposed flow by phase added.

**Preliminary Water Plan**

30. It appears that a 12” waterline from the northwest will be feeding this development. The second point of connection is the “Proposed Bear Creek Water Line” at the southern end adjacent to SH 78.

Yes, we are installing this offsite waterline and sewer lines.

31. A 12” waterline generally follows the proposed streets along the west side of the development. All other waterlines are shown to be 8”. A 12” and 8” waterline extends to the east property line for future connections to the adjacent property.

32. The water plan will require BCSUD approval.

Noted





# CITY OF LAVON CITY COUNCIL Agenda Brief

**MEETING:** June 4, 2019

**ITEM:** 8 – E

---

**Item:**

Discussion and action regarding Resolution No. 2019-06-02 determining the costs of certain public improvements to be financed by the LakePointe Public Improvement District; approving a preliminary service plan and assessment plan, including proposed assessment rolls; directing the filing of the proposed assessment rolls with the city secretary to make available for public inspection; noticing a public hearing for July 2, 2019 to consider an ordinance levying assessments on property located within the Lakepointe Public Improvement District; directing city staff to publish and mail notice of said public hearing; and resolving other matters incident and related thereto.

**Background:**

On March 19, 2019, after three public hearings, the City Council approved a resolution creating the LakePointe Public Improvement District (PID) and authorized the issuance of up to \$25,000,000.00 in bonds for the District to finance specific public improvements for the benefit of the property.

A preliminary Service and Assessment Plan (SAP) has been prepared that sets forth the estimated total costs of the improvements and the proposed assessment roll that establishes the assessments to be levied against each property.

P3 Works will attend the City Council meeting to present and answer questions regarding the preliminary SAP and assessment roll.

It should be noted that pursuant to the development agreement, annexation is scheduled to occur concurrently with the bond process.

**Attachment:** Proposed Resolution including preliminary Service and Assessment Plan

May 31, 2019

**CITY OF LAVON, TEXAS**

**RESOLUTION NO. 2019-06-02**

**A RESOLUTION OF THE CITY OF LAVON, TEXAS DETERMINING THE COSTS OF CERTAIN PUBLIC IMPROVEMENTS TO BE FINANCED BY THE LAKEPOINTE PUBLIC IMPROVEMENT DISTRICT; APPROVING A PRELIMINARY SERVICE PLAN AND ASSESSMENT PLAN, INCLUDING PROPOSED ASSESSMENT ROLLS; DIRECTING THE FILING OF THE PROPOSED ASSESSMENT ROLLS WITH THE CITY SECRETARY TO MAKE AVAILABLE FOR PUBLIC INSPECTION; NOTICING A PUBLIC HEARING FOR JULY 2, 2019 TO CONSIDER AN ORDINANCE LEVYING ASSESSMENTS ON PROPERTY LOCATED WITHIN THE LAKEPOINTE PUBLIC IMPROVEMENT DISTRICT; DIRECTING CITY STAFF TO PUBLISH AND MAIL NOTICE OF SAID PUBLIC HEARING; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO.**

**RECITALS**

**WHEREAS**, the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the "Act") authorizes the governing body (the "City Council") of the City of Lavon, Texas (the "City"), to create a public improvement district corporate limits of the City; and

**WHEREAS**, on February 2, 2019 the City Council opened, conducted and continued a public hearing, on March 5, 2019 the City Council reopened, conducted and continued a public hearing, and on March 19, 2019 the City Council reopened, conducted and closed a public hearing to consider a petition received by the City on or about January 19, 2019 entitled "Petition for the Creation of a Public Improvement District Within the City of Lavon, Texas, for the LakePointe Development" requesting the creation of a public improvement district; and

**WHEREAS**, on March 19, 2019, the City Council approved Resolution No. 2019-03-04 (the "Authorization Resolution"), authorizing, establishing and creating the LakePointe Public Improvement District (the "District"); and

**WHEREAS**, the City authorized the creation of the District and the issuance of up to \$25,000,000.00 in bonds for the District to finance certain public improvements authorized by the Act for the benefit of the property within the District (the "Authorized Improvements"); and

**WHEREAS**, the City Council and the City staff have been presented a "LakePointe Public Improvement District Preliminary Service and Assessment Plan", including the proposed assessment roll attached thereto (the "Proposed Assessment Roll"), dated 5/31/2009 (collectively, the "Preliminary SAP"), a copy of which is attached hereto as **Exhibit A** and is incorporated herein for all purposes; and

**WHEREAS**, the Preliminary SAP sets forth the estimated total costs of certain Authorized Improvements to be financed by the District at this time and the Proposed Assessment Roll states the assessments proposed to be levied against each parcel of land in the District as determined by the method of assessment chosen by the City; and

**WHEREAS**, the Act requires that the Proposed Assessment Roll be filed with the City Secretary of the City (the "City Secretary") and be subject to public inspection; and

**WHEREAS**, the Act requires that a public hearing be called to consider proposed assessments and requires the City Council to hear and pass on any objections to the proposed assessments at, or on the adjournment of, the public hearing (the "Assessment Hearing"); and

**WHEREAS**, the Act requires that notice of the Assessment Hearing be mailed to property owners liable for assessment and published in a newspaper of general circulation in the City before the tenth (10th) day before the date of the Assessment Hearing.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAVON, TEXAS AS FOLLOWS:**

SECTION 1. The recitals set forth above in this Resolution are true and correct and are hereby adopted as findings of the City Council and are incorporated into the body of this Resolution as if fully set forth herein.

SECTION 2. The City Council does hereby accept the Preliminary SAP for the District, including the Proposed Assessment Roll, a copy of which is attached hereto as **Exhibit A** and is incorporated herein for all purposes. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Preliminary SAP.

SECTION 3. The City Council hereby determines that the total costs of the Improvement Area #1 Improvements and Major Improvements to be financed by the District are as set forth in Exhibit C of the Preliminary SAP, which costs do not include the payment of expenses incurred in the administration of the District or related to the issuance of any bonds.

SECTION 4. The City Council's final determination and approval of the costs of the Improvement Area #1 Improvements and Major Improvements, or any portions thereof, shall be subject to and contingent upon City Council approval of a final Service and Assessment Plan which will include a final Assessment Roll, after the properly noticed and held Assessment Hearing.

SECTION 5. The Proposed Assessment Roll states the assessment proposed to be levied against each parcel of land in the District as determined by the method of assessment chosen by the City in the Authorization Resolution and as more fully described in the Preliminary SAP.

SECTION 6. The City Council expressly defers the levy of assessments against property within future improvement areas for improvement area-specific improvements that will benefit only the property within each subsequent improvement area until such time as the costs of such improvement area-specific improvements can be determined with certainty.

SECTION 7. The City Council hereby authorizes and directs the filing of the Proposed Assessment Roll with the City Secretary and the same shall be available for public inspection.

SECTION 8. The City Council hereby authorizes, and calls, a public hearing (the Assessment Hearing as defined above) to be held on **July 2, 2019 at 7:00 p.m.** at Lavon City Hall, 120 School Road, Lavon, Texas 75166, at which the City Council shall, among other actions, hear and pass on any objections to the proposed assessments, and, upon the adjournment of the Assessment Hearing, the City Council will consider an ordinance levying the assessments as special assessments on property within the District (which ordinance shall specify the method of payment of the assessments).

SECTION 9. The City Council hereby authorizes and directs the City Secretary to publish notice of the Assessment Hearing to be held on **July 2, 2019**, in substantially the form attached

hereto as **Exhibit B** and incorporated herein for all purposes, in a newspaper of general circulation in the City, on or before June 19, 2019 as required by Section 372.016(b) of the Act.

SECTION 10. When the Proposed Assessment Roll is filed with the City Secretary, the City Council hereby authorizes and directs the City Secretary, on or before June 19, 2019 to mail to owners of property liable for assessment notice of the Assessment Hearing to be held on July 2, 2019 as required by Section 372.016(c) of the Act.

SECTION 11. City staff is authorized and directed to take such other actions as are required (including, but not limited to, notice of the public hearing as required by the Texas Open Meetings Act) to place the public hearing on the agenda for the July 2, 2019 meeting of the City Council.

*SECTION 12.* This Resolution shall become effective from and after its date of passage in accordance with law.

**PASSED AND APPROVED** on this the 4<sup>th</sup> day of June 2019.

\_\_\_\_\_  
Vicki Sanson, Mayor

ATTEST:

\_\_\_\_\_  
Kim Dobbs, City Administrator

**EXHIBIT A**

**PRELIMINARY SERVICE AND ASSESSMENT PLAN**

**[INSERT PRELIMINARY SERVICE AND ASSESSMENT PLAN]**

# LakePointe Public Improvement District

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PRELIMINARY SERVICE AND ASSESSMENT PLAN

VERSION 2.2 5/31/19



AUSTIN, TX | KELLER, TX

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## INTRODUCTION

Capitalized terms used in this Service and Assessment Plan shall have the meanings given to them in **Section I** unless otherwise defined in this Service and Assessment Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a “Section” or an “Exhibit” shall be a reference to a Section of this Service and Assessment Plan or an Exhibit attached to and made a part of this Service and Assessment Plan for all purposes.

On March 19, 2019, the City passed and approved Resolution No. 2019-03-04 authorizing the establishment of the Lakepoint Public Improvement District in accordance with Chapter 372, Texas Local Government Code, which authorization was effective upon publication as required by the PID Act. The purpose of the District is to finance the Actual Costs of Authorized Improvements that confer a special benefit on approximately 173.037 acres located within the City, as described by metes and bounds on **Exhibit A-1** and depicted on **Exhibit B-1**.

The PID Act requires a service plan covering a period of at least five years and defining the annual indebtedness and projected cost of the Authorized Improvements. The Service Plan is contained in **Section IV**.

The PID Act requires that the Service Plan include an assessment plan that assesses the Actual Costs of the Authorized Improvements against the District based on the special benefits conferred on the District by the Authorized Improvements. The Assessment Plan is contained in **Section V**.

The PID Act requires an assessment roll that states the assessment against each parcel determined by the method chosen by the City Council. The Assessment against each Parcel must be sufficient to pay the share of the Actual Costs of the Authorized Improvements apportioned to the Parcel and cannot exceed the special benefit conferred on the Parcel by such Authorized Improvements. The Assessment Roll for Improvement Area #1 is included as **Exhibit F-1**. The Assessment Roll for the Major Improvement Area is included as **Exhibit G-1**.

## SECTION I: DEFINITIONS

**“Actual Costs”** mean with respect to Authorized Improvements, the Owner’s demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvements, as specified in a payment request in a form that has been reviewed and approved by the City. Actual Costs may include: (1) the costs incurred by or on behalf of the Owner (either directly or through affiliates) for the design, planning, financing, administration/management, acquisition, installation, construction and/or implementation of such Authorized Improvements; (2) the fees paid for obtaining permits, licenses, or other governmental approvals for such Authorized Improvements; (3) construction management fees of up to 4% of costs, if the Owner is serving as the construction manager but not the general contractor; (4) the costs incurred by or on behalf of the Owner for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting, and similar professional services; (5) all labor, bonds, and materials, including equipment and fixtures, by contractors, builders, and materialmen in connection with the acquisition, construction, or implementation of the Authorized Improvements; (6) all related permitting and public approval expenses, architectural, engineering, and consulting fees, taxes, and governmental fees and charges.

**“Additional Interest”** means the amount collected by application of the Additional Interest Rate.

**“Additional Interest Rate”** means the 0.50% additional interest rate charged on Assessments pursuant to Section 372.018 of the PID Act.

**“Administrator”** means an employee or designee of the City who shall have the responsibilities provided in this Service and Assessment Plan, the Indenture, or any other agreement or document approved by the City related to the duties and responsibilities of the administration of the District. The initial Administrator is P3Works, LLC.

**“Annual Collection Costs”** mean the actual or budgeted costs and expenses related to the creation and operation of the District and the construction of the Authorized Improvements, including, but not limited to, costs and expenses for: (1) the Administrator; (2) City staff; (3) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (4) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (5) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (6) paying, and redeeming PID Bonds; (7) investing or depositing Assessments and Annual Installments; (8) complying with this Service and Assessment Plan, the Indenture, and the PID Act with respect to the of PID Bonds, including continuing disclosure requirements; (9) the paying agent/registrar and Bond Trustee in connection with PID Bonds, including their respective legal counsel; and (10) administering the construction of the

Authorized Improvements. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

**“Annual Installment”** means the annual installment payment on the Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest.

**“Annual Service Plan Update”** means an update to the Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the City Council.

**“Assessed Property”** means any Parcel within the District against which an Assessment is levied.

**“Assessment”** means an assessment levied against a Parcel within the District and imposed pursuant to an Assessment Ordinance and the provisions of this Service and Assessment Plan, as shown on an Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

**“Assessment Ordinance”** means an ordinance adopted by the City Council in accordance with the PID Act that levies an Assessment.

**“Assessment Plan”** assesses the Actual Costs of the Authorized Improvements against the District based on the special benefits conferred on the District by the Authorized Improvements, more specifically described in **Section V**.

**“Assessment Roll”** means the Improvement Area #1 Assessment Roll, and/or the Major Improvement Area Assessment Roll, or any other Assessment Roll in an amendment or supplement to this Service and Assessment Plan.

**“Authorized Improvements”** means improvements of which estimated costs are shown on **Exhibit C**, depicted on **Exhibit H-1** and **Exhibit H-2**, and described in **Section III** as authorized by Section 372.003 of the PID Act.

**“Bond Trustee”** means a trustee (or successor trustee) under the applicable Indenture.

**“City”** means the City of Lavon, Texas.

**“City Council”** means the governing body of the City.

**“County”** means Collin County, Texas.

**“Delinquent Collection Costs”** mean costs related to the foreclosure on Assessed Property and the costs of collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under this Service and Assessment Plan including penalties and reasonable attorney’s fees actually paid, but excluding amounts representing interest and penalty interest.

**“District”** means the LakePointe Public Improvement District containing approximately 173.037 acres located within the City, and more specifically described in **Exhibit A-1** and depicted on **Exhibit B-1**.

**“District Formation and Bond Issuance Costs”** means the costs and expenses directly associated with forming the District and costs of issuing a particular series of PID Bonds, including but not limited to, issuer fees, attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds, including debt service reserve fund, capitalized interest and underwriter’s discount.

**“Improvement Area #1”** means approximately \_\_\_\_\_ acres located within the District, more specifically described in **Exhibit A-2** and depicted on **Exhibit B-2**.

**“Improvement Area #1 Annual Installment”** means the Annual Installment of the Improvement Area #1 Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest.

**“Improvement Area #1 Assessed Property”** means any Parcel within Improvement Area #1 against which an Improvement Area #1 Assessment is levied.

**“Improvement Area #1 Assessment”** means an Assessment levied against a Parcel within Improvement Area #1 and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #1 Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

**“Improvement Area #1 Assessment Roll”** means the Assessment Roll for the Improvement Area #1 Assessed Property within the District, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any Annual Service Plan Updates. The Improvement Area #1 Assessment Roll is included in this Service and Assessment Plan as **Exhibit F-1**.

**“Improvement Area #1 Bonds”** means those certain “City of Lavon Assessment Revenue Bonds, Series 2019 (LakePointe Public Improvement District Improvement Area #1 Project)” that are secured by Improvement Area #1 Assessments.

**“Improvement Area #1 Improvements”** means the Authorized Improvements which only benefit the Improvement Area #1 Assessed Property and are described in **Section III.A** hereto and shown on **Exhibit C**.

**“Improvement Area #1 Initial Parcel”** means all property located within Improvement Area #1, which is more particularly described on **Exhibit A-2**, against which the entire Improvement Area #1 Assessment is levied as shown on the Improvement Area #1 Assessment Roll.

**“Improvement Area #1 Projects”** means collectively: (1) the pro rata portion of the Major Improvements allocable to Improvement Area #1; (2) the Improvement Area #1 Improvements; and (3) Improvement Area #1’s pro rata share of District Formation and Bond Issuance Costs.

**“Improvement Area #1 Reimbursement Agreement”** means that certain Reimbursement Agreement dated \_\_\_\_\_ entered into between the City and the Owner that provides for construction and dedication of an Authorized Improvement in Improvement Area #1 to the City, whereby all or a portion of the Actual Costs not paid to the Owner from PID Bonds will be paid to the Owner from Assessments to reimburse the Owner for Actual Costs paid by the Owner, plus interest, that are eligible to be paid with Assessments.

**“Improvement Area #1 Reimbursement Obligation”** means the amount not to exceed \$1,320,000 secured by Assessments to be paid to the Owner pursuant to the Reimbursement Agreement.

**“Indenture”** means an Indenture of Trust entered into in connection with the issuance of each series of PID Bonds, as amended from time to time, between the City and a Bond Trustee setting forth terms and conditions related to a series of PID Bonds.

**“Lot”** means for any portion of the District for which a final subdivision plat has been recorded in the official public records of the County, a tract of land described by “lot” in such final and recorded subdivision plat.

**“Lot Type”** means a classification of final building Lots with similar characteristics (e.g. commercial, light industrial, multi-family, single family residential, etc.), as determined by the Administrator and confirmed by the City Council. In the case of single family residential Lots, the Lot Type shall be further defined by classifying the residential Lots by the estimated final average home value of the Lot as of the date of the recorded subdivision plat as determined by the Administrator and confirmed by the City Council.

**“Major Improvement Area”** means approximately \_\_\_\_\_ acres located within the District, and more specifically described in **Exhibit A-3** and depicted on **Exhibit B-3**.

**“Major Improvement Area Annual Installment”** means the Annual Installment of the Major Improvement Area Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest.

**“Major Improvement Area Assessed Property”** means any Parcel within the Major Improvement Area against which an Assessment is levied.

**“Major Improvement Area Assessment”** means an assessment levied against a Parcel within the Major Improvement Area and imposed pursuant to an Assessment Ordinance and the provisions

herein, as shown on the Major Improvement Area Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

**“Major Improvement Area Assessment Roll”** means the Assessment Roll for the Major Improvement Area Assessed Property within the District, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any Annual Service Plan Updates. The Major Improvement Area Assessment Roll is included in this Service and Assessment Plan as **Exhibit G-1**.

**“Major Improvement Area Bonds”** means those certain “City of Lavon Special Assessment Revenue Bonds, Series 2019 (LakePointe Public Improvement District Major Improvement Area Project)” that are secured by Major Improvement Area Assessments.

**“Major Improvement Area Initial Parcel”** means the all property located within the Major Improvement Area, which is more particularly described by metes and bounds on **Exhibit A-3**, against which the entire Major Improvement Area Assessment is levied as shown on Major Improvement Area Assessment Roll.

**“Major Improvement Area Projects”** means collectively: (1) the pro rata portion of the Major Improvements allocable to the Major Improvement Area; and (2) the Major Improvement Area share of the District Formation and Bond Issuance Costs.

**“Major Improvements”** means those Authorized Improvements that confer special benefit to all the Assessed Property within the District, and as further described in **Section III.C**.

**“Maximum Assessment”** means, for each lot type, (1) the highest practical amount that results in a total tax rate of \$3.09 per \$100 of estimated buildout value for each new Lot Type, taking into consideration the tax rate of all taxing entities. The Maximum Assessment shall only be calculated upon the filing of a final plat with the City.

**“Non-Benefited Property”** means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements as determined by the City Council. Property is identified as Non-Benefitted Property at the time the Assessments are (1) imposed or (2) reallocated pursuant to a subdivision of a Parcel that is not assessed.

**“Owner”** means Lavon LakePointe Development, LLC, a Texas limited liability company, and any successor owner of property in the District or any portion thereof.

**“Parcel”** or **“Parcels”** means a specific property within the District identified by either a tax map identification number assigned by the Collin Central Appraisal District for real property tax purpose, by metes and bounds description, or by lot and block number in a final subdivision plat recorded in the official public records of the County, or by any other means determined by the City.

**“PID Act”** means Chapter 372, Texas Local Government Code, as amended.

**“PID Bonds”** means any bonds issued by the City in one or more series and secured in whole or in part by Assessments.

**“Prepayment”** means the payment of all or a portion of an Assessment before the due date thereof. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Assessment.

**“Prepayment Costs”** means interest, including Additional Interest and penalty interest, and Annual Collection Costs to the date of Prepayment.

**“Service and Assessment Plan”** means this Service and Assessment Plan as amended or supplemented from time to time.

**“Service Plan”** covers a period of at least five years and defines the annual indebtedness and projected costs of the Authorized Improvements.

## SECTION II: THE DISTRICT

The District includes approximately 173.037 contiguous acres located within the City, as more particularly described by metes and bounds on **Exhibit A-1** and depicted on **Exhibit B-1**. Development of the District is anticipated to include approximately 699 single-family homes.

Improvement Area #1 includes approximately \_\_\_\_\_ contiguous acres located within the City, as more particularly described by metes and bounds on **Exhibit A-2** and depicted on **Exhibit B-2**. Development of Improvement Area #1 is anticipated to include approximately 233 single-family homes.

The Major Improvement Area includes approximately \_\_\_\_\_ contiguous acres located within the City, as more particularly described by metes and bounds on **Exhibit A-3** and depicted on **Exhibit B-3**. Development of the Major Improvement Area is anticipated to include approximately 466 single-family homes.

## SECTION III: AUTHORIZED IMPROVEMENTS

The City Council, based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has determined that the costs described below are costs of Authorized Improvements, as defined by the PID Act, that confer a

special benefit on the Assessed Property. Allocation of the Authorized Improvements is shown on Exhibit C.

### **A. Improvement Area #1 Improvements**

All Improvement Area #1 Improvements, except for landscaping and hardscaping, will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

- *Sewer Improvements*

Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, and erosion control all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #1.

- *Storm Sewer Improvements*

Improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, and erosion control necessary to provide storm drainage for all Lots in Improvement Area #1.

- *Pavement Improvements*

Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, handicapped ramps, and street lights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included. The street improvements will provide street access to each Lot within the Improvement Area #1.

- *Engineering, Design, and Fees*

Improvements including a 4% construction management fee, and engineering and design (inclusive of any revisions that may be necessary for final approval by the City engineer) of the final construction plans necessary for construction of the Authorized Improvements in Improvement Area #1. Once the final plans are approved, the project engineer shall stamp and mark the plans ready for construction, and ready to be submitted to duly authorized contractors for bids for the construction of such Authorized Improvements.

### **B. Major Improvements**

All Major Improvements will be designed and constructed in accordance with City

standards and specifications and will be owned and operated by the City.

- *Right of Way Improvements*

Within the dedicated streets, all related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting, sod and irrigation, and re-vegetation of all disturbed areas within the right-of-way are included.

- *Sewer Improvements*

Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, and erosion control all necessary appurtenances required to provide wastewater service to all Lots within the District.

- *Storm Sewer Improvements*

Improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, and erosion control necessary to provide storm drainage for all Lots in the District.

- *Pavement Improvements*

Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, handicapped ramps, and street lights. The pavement improvements will provide street access to each Lot within the District.

- *Engineering, Design, and Fees*

Improvements including a 4% construction management fee, and engineering and design (inclusive of any revisions that may be necessary for final approval by the City engineer) of the final construction plans necessary for construction of the Authorized Improvements constituting Major Improvements. Once the final plans are approved, the project engineer shall stamp and mark the plans ready for construction, and ready to be submitted to duly authorized contractors for bids for the construction of such Authorized Improvements.

- *Hardscape and Landscape Improvements*

Improvements consist of installation of landscaping, including irrigation, in open spaces, entryway monuments and signs, establishment and improvement of lakes, park and open space.

- *PID Creation Cost*

Includes legal fees, PID consultant fees, engineering fees and reimbursement of City consulting fees.

**C. District Formation and Bond Issuance Costs**

- *1<sup>st</sup> Year Annual Collection Costs*

Includes 1<sup>st</sup> year District administration reserves, costs and expenses directly associated with forming the District.

- *Debt Service Reserve Fund*

Equals the amount required under an Indenture in connection with the issuance of a particular series of PID Bonds.

- *Capitalized Interest*

Equals the amount required under an Indenture in connection with the issuance of a particular series of PID Bonds.

- *Underwriter's Discount*

Equals a percentage of the par amount of a particular series of PID Bonds plus a fee for underwriter's counsel.

- *Cost of Issuance*

Includes costs of issuing a particular series of PID Bonds, including but not limited to issuer fees, attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

## SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan must be reviewed and updated, at least annually, and approved by the City Council. **Exhibit D** summarizes the Service Plan for the District.

**Exhibit E** summarizes the sources and uses of funds required to construct the Authorized Improvements and pay the District Formation and Bond Issuance Costs. The sources and uses of funds shown on **Exhibit E** shall be updated each year in the Annual Service Plan Update to reflect

any budget revisions and Actual Costs.

## **SECTION V: ASSESSMENT PLAN**

The PID Act allows the City Council to apportion the costs of the Authorized Improvements to the Assessed Property based on the special benefit received from the Authorized Improvements. The PID Act provides that such costs may be apportioned: (1) equally per front foot or square foot; (2) according to the value of property as determined by the City Council, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the City Council that results in imposing equal shares of such costs on property similarly benefited. The PID Act further provides that the governing body may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the City and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

The determination by the City Council of the assessment methodologies set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Owner and all future owners and developers of the Assessed Property.

### **A. Assessment Methodology for Improvement Area #1**

The City Council, acting in its legislative capacity based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has determined that the costs of the Improvement Area #1 Projects shall be allocated to the Improvement Area #1 Assessed Property by spreading the entire Improvement Area #1 Assessment across all Improvement Area #1 Assessed Property based on the ratio of the estimated build out value of each Parcel designated as Improvement Area #1 Assessed Property to the estimated build out value for all Improvement Area #1 Assessed Property. Currently, the Improvement Area #1 Initial Parcel is the only Parcel within Improvement Area #1, and as such, the Improvement Area #1 Initial Parcel is allocated 100% of the Improvement Area #1 Projects.

### **B. Assessment Methodology for the Major Improvement Area**

The City Council, acting in its legislative capacity based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has determined that the costs of the Major Improvement Area Projects shall be allocated to the Major Improvement Area Assessed Property by spreading the entire Major Improvement Area Assessment across all Major Improvement Area Assessed Property based on the ratio of the estimated build out value of each Parcel designated as Major Improvement Area Assessed

Property to the estimated build out value for all Major Improvement Area Assessed Property. Currently the Major Improvement Area Initial Parcel is the only Parcel within the Major Improvement Area, and as such, the Major Improvement Area Initial Parcel is allocated 100% of the Major Improvement Area Projects.

### **C. Assessments**

The Improvement Area #1 Assessment will be levied on the Improvement Area #1 Initial Parcel in the amount shown on the Improvement Area #1 Assessment Roll, attached hereto as **Exhibit F-1**. The projected Improvement Area #1 Annual Installments are shown on **Exhibit F-2**. Upon division or subdivision of the Improvement Area #1 Initial Parcel, Improvement Area #1 Assessment will be reallocated pursuant to **Section VI**.

The Major Improvement Area Assessment will be levied on the Major Improvement Area Initial Parcel in the amount shown on the Major Improvement Area Assessment Roll, attached hereto as **Exhibit G-1**. The projected Major Improvement Area Annual Installments are shown on **Exhibit G-2**. Upon division or subdivision of the Major Improvement Area Initial Parcel, the Major Improvement Area Assessment will be reallocated pursuant to **Section VI**.

### **D. Findings of Special Benefit**

The City Council, acting in its legislative capacity based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has found and determined:

- *Improvement Area #1*
  - The costs of the Improvement Area #1 Projects equal \$7,128,749 as shown on **Exhibit C**; and
  - The Improvement Area #1 Assessed Property receives special benefit from the Improvement Area #1 Projects equal to or greater than the Actual Cost of the Improvement Area #1 Projects; and
  - The Improvement Area #1 Initial Parcel will be allocated 100% of the Improvement Area #1 Assessment levied for the Improvement Area #1 Projects, which equals \$5,760,000 as shown on the Improvement Area #1 Assessment Roll attached hereto as **Exhibit F-1**;
  - The special benefit ( $\geq$  \$7,128,749) received by the Improvement Area #1 Initial Parcel from the Improvement Area #1 Projects is equal to or greater than the amount of the Improvement Area #1 Assessment (\$5,760,000) levied on the Improvement Area #1 Initial Parcel for the Improvement Area #1 Projects; and



### **E. Annual Collection Costs**

The Annual Collection Costs shall be paid for by each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding Assessment. The Annual Collection Costs shall be collected as part of and in the same manner as Annual Installments in the amounts shown on the Assessment Roll, which may be revised based on actual costs incurred in Annual Service Plan Updates.

### **F. Additional Interest**

The interest rate on Assessments levied on the Assessed Property may exceed the interest rate on the PID Bonds by the Additional Interest Rate. Additional Interest shall be collected as part of each Annual Installment and shall be deposited into a reserve account or accounts and segregated from other funds of the City, pursuant to the Indenture.

## **SECTION VI: TERMS OF THE ASSESSMENTS**

### **A. Reallocation of Assessments**

#### *1. Upon Division Prior to Recording of Subdivision Plat*

Upon the division of any Assessed Property (without the recording of subdivision plat), the Administrator shall reallocate the Assessment for the Assessed Property prior to the division among the newly divided Assessed Properties according to the following formula:

$$A = B \times (C \div D)$$

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

C = the estimated buildout value of the newly divided Assessed Property

D = the sum of the estimated buildout value for all of the newly divided Assessed Properties

The calculation of the buildout value of an Assessed Property shall be performed by the Administrator and confirmed by the City Council based on information from the Owner, homebuilders, market studies, appraisals, official public records of the County, and any other relevant information regarding the Assessed Property. The calculation as confirmed by the City Council shall be conclusive.

The sum of the Assessments for all newly divided Assessed Properties shall equal the Assessment for the Assessed Property prior to subdivision. The calculation shall be made

separately for each newly divided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in the next Annual Service Plan Update and approved by the City Council.

### *2. Upon Subdivision by a Recorded Subdivision Plat*

Upon the subdivision of any Assessed Property based on a recorded subdivision plat, the Administrator shall reallocate the Assessment for the Assessed Property prior to the subdivision among the new subdivided Lots based on buildout value according to the following formula:

$$A = [B \times (C \div D)]/E$$

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision

C = the sum of the estimated average buildout value of all newly subdivided Lots with same Lot Type

D = the sum of the estimated average buildout value for all of the newly subdivided Lots excluding Non-Benefitted Property

E = the number of Lots with same Lot Type

Prior to the recording of a subdivision plat, the Owner shall provide the City an estimated buildout value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat considering factors such as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, discussions with homebuilders, and any other factors that may impact value. The calculation of the estimated average buildout value for a Lot shall be performed by the Administrator and confirmed by the City Council based on information provided by the Owner, homebuilders, third party consultants, and/or the official public records of the County regarding the Lot.

The sum of the Assessments for all newly subdivided Lots shall not exceed the Assessment for the portion of the Assessed Property subdivided prior to subdivision. The calculation shall be made separately for each newly subdivided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in the next Annual Service Plan Update and approved by the City Council.

### *3. Upon Consolidation*

If two or more Lots or Parcels are consolidated, the Administrator shall allocate the Assessments against the Lots or Parcels before the consolidation to the consolidated Lot or Parcel, which allocation shall be reflected in the next Annual Service Plan Update and approved by the City Council.

## **B. Mandatory Prepayment of Assessments**

### *1. Transfer to exempt person or entity*

If an Assessed Property or portion thereof is transferred to a person or entity that is exempt from payment of the Assessment, the owner transferring the Assessed Property shall pay to the City the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the transfer. If the owner of an Assessed Property causes the Assessed Property or a portion thereof to become Non-Benefited Property, the owner causing the change in status shall pay to the City the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the change in status.

### *2. Maximum Assessment exceeded at plat*

Prior to the City approving a final subdivision plat, the Administrator will certify that such plat will not result in the Assessment per Lot for any Lot Type to exceed the Maximum Assessment. If the Administrator determines that the resulting Assessment per Lot for any Lot Type will exceed the Maximum Assessment, then (i) the Assessment applicable to each Lot Type shall each be reduced to the Maximum Assessment, and (ii) the person or entity filing the plat shall pay to the City the amount the Assessment was reduced, plus Prepayment Costs and Delinquent Collection Costs, if any, prior to the City approving the final plat.

## **C. Reduction of Assessments**

If as a result of cost savings or an Authorized Improvement not being constructed, the Actual Costs of completed Authorized Improvements are less than the Assessments, the City Council shall reduce each Assessment levied to pay the costs of such Authorized Improvements on a pro-rata basis such that the sum of the resulting reduced Assessments for all Assessed Properties equals the reduced Actual Costs. Excess PID Bond proceeds shall be applied to redeem outstanding PID Bonds. The Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds payable out of such Assessments.

The Administrator shall update (and submit to the City Council for review and approval as part of the next Annual Service Plan Update) the Assessment Roll and corresponding Annual Installments to reflect the reduced Assessments.

#### **D. Prepayment of Assessments**

The owner of the Assessed Property may pay, at any time, all or any part of an Assessment in accordance with the PID Act. Prepayment Costs, if any, may be paid from the Additional Interest. If an Annual Installment has been billed prior to the Prepayment, the Annual Installment shall be due and payable and shall be credited against the Prepayment.

If an Assessment is paid in full, with interest (including penalty interest): (1) the Administrator shall cause the Assessment to be reduced to zero and the Assessment Roll to be revised accordingly; (2) the Administrator shall cause the revised Assessment Roll to be approved by the City Council as part of the next Annual Service Plan Update; (3) the obligation to pay the Assessment and corresponding Annual Installments shall terminate; and (4) the City shall provide the owner with a recordable "Notice of PID Assessment Termination," a form of which is attached hereto as **Exhibit I**.

If an Assessment is paid in part, with interest (including penalty interest): (1) the Administrator shall cause the Assessment to be reduced and the Assessment Roll revised accordingly; (2) the Administrator shall cause the revised Assessment Roll to be approved by the City Council as part of the next Annual Service Plan Update; and (3) the obligation to pay the Assessment and corresponding Annual Installments shall be reduced.

#### **E. Payment of Assessment in Annual Installments**

**Exhibit F-2** shows the estimated Annual Installments for Improvement Area #1, and **Exhibit G-2** shows the estimated Annual Installments for the Major Improvement Area. Assessments that are not paid in full shall be due and payable in Annual Installments. Annual Installments are subject to adjustment in each Annual Service Plan Update.

If any Parcel shown on the Assessment Roll is assigned multiple tax identification numbers, the Annual Installment shall be allocated pro rata based on the acreage of the property as shown by Collin Central Appraisal District for each tax identification number.

The Administrator shall prepare and submit to the City Council for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and updated calculations of Annual Installments. The Annual Collection Costs shall be paid for by each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding Assessment. Annual Installments shall be reduced by any credits applied under an applicable Indenture, such as capitalized interest, interest earnings on account balances, and any other funds available to the Bond Trustee for such purposes. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes. Annual

Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act and in the same manner as ad valorem taxes for the City. The City Council may provide for other means of collecting Annual Installments. Assessments shall have the lien priority specified in the PID Act.

Sales of the Assessed Property for nonpayment of Annual Installments shall be subject to the lien for the remaining unpaid Annual Installments against the Assessed Property, and the Assessed Property may again be sold at a judicial foreclosure sale if the purchaser fails to timely pay the non-delinquent Annual Installments as they become due and payable.

The City reserves the right to refund PID Bonds in accordance with the PID Act. In the event of a refunding, the Administrator shall recalculate the Annual Installments so that total Annual Installments will be sufficient to pay the refunding bonds, and the refunding bonds shall constitute "PID Bonds."

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments relating to the PID Bonds shall be due when billed and shall be delinquent if not paid prior to February 1, 2020.

**SECTION VII: ASSESSMENT ROLL**

The Improvement Area #1 Assessment Roll is attached as **Exhibit F-1**. The Administrator shall prepare, and submit to the City Council for review and approval, proposed revisions to the Improvement Area #1 Assessment Roll and Improvement Area #1 Annual Installments for each Parcel as part of each Annual Service Plan Update.

The Major Improvement Area Assessment Roll is attached as **Exhibit G-1**. The Administrator shall prepare, and submit to the City Council for review and approval, proposed revisions to the Major Improvement Area Assessment Roll and Major Improvement Area Annual Installments for each Parcel as part of each Annual Service Plan Update.

**SECTION VIII: ADDITIONAL PROVISIONS**

**A. Calculation Errors**

If the owner of a Parcel claims that an error has been made in any calculation required by this Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the owner's sole and exclusive remedy shall be to submit a written

notice of error to the Administrator by December 1<sup>st</sup> of each year following City Council approval of the calculation; otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. Upon receipt of a written notice of error from an owner the Administrator shall provide a written response to the City Council and the owner within 30 days of such referral. The City Council shall consider the owner's notice of error and the Administrator's response at a public hearing, and within 30 days after closing such hearing, the City Council shall make a final determination as to whether an error has been made. If the City Council determines that an error has been made, the City Council shall take such corrective action as is authorized by the PID Act, this Service and Assessment Plan, the Assessment Ordinance, the Indenture, or is otherwise authorized by the discretionary power of the City Council. The determination by the City Council as to whether an error has been made, and any corrective action taken by the City Council, shall be final and binding on the owner and the Administrator.

### **B. Amendments**

Amendments to this Service and Assessment Plan must be made by the City Council in accordance with the PID Act. To the extent permitted by the PID Act, this Service and Assessment Plan may be amended without notice to owners of the Assessed Property: (1) to correct mistakes and clerical errors; (2) to clarify ambiguities; and (3) to provide procedures to collect Assessments, Annual Installments, and other charges imposed by this Service and Assessment Plan.

### **C. Administration and Interpretation**

The Administrator shall: (1) perform the obligations of the Administrator as set forth in this Service and Assessment Plan; (2) administer the District for and on behalf of and at the direction of the City Council; and (3) interpret the provisions of this Service and Assessment Plan. Interpretations of this Service and Assessment Plan by the Administrator shall be in writing and shall be appealable to the City Council by owners or developers adversely affected by the interpretation. Appeals shall be decided by the City Council after holding a public hearing at which all interested parties have an opportunity to be heard. Decisions by the City Council shall be final and binding on the owners and developers and their successors and assigns.

### **D. Severability**

If any provision of this Service and Assessment Plan is determined by a governmental agency or court to be unenforceable, the unenforceable provision shall be deleted and, to the maximum extent possible, shall be rewritten to be enforceable. Every effort shall be made to enforce the remaining provisions.

## EXHIBITS

The following Exhibits are attached to and made a part of this Service and Assessment Plan for all purposes:

<b>Exhibit A-1</b>	District Legal Description
<b>Exhibit A-2</b>	Improvement Area #1 Legal Description
<b>Exhibit A-3</b>	Major Improvement Area Legal Description
<b>Exhibit B-1</b>	Map of the District
<b>Exhibit B-2</b>	Map of Improvement Area #1
<b>Exhibit B-3</b>	Map of Major Improvement Area
<b>Exhibit C</b>	Allocation of Authorized Improvements
<b>Exhibit D</b>	Service Plan
<b>Exhibit E</b>	Sources and Uses of Funds
<b>Exhibit F-1</b>	Improvement Area #1 Assessment Roll
<b>Exhibit F-2</b>	Improvement Area #1 Annual Installments
<b>Exhibit G-1</b>	Major Improvement Area Assessment Roll
<b>Exhibit G-2</b>	Major Improvement Area Annual Installments
<b>Exhibit H-1</b>	Maps of Improvement Area #1 Improvements
<b>Exhibit H-2</b>	Maps of Major Improvements
<b>Exhibit I</b>	Form of Notice of PID Assessment Termination
<b>Exhibit J</b>	Allocation of Major Improvements
<b>Exhibit K</b>	Debt Service Schedule for Bonds

## EXHIBIT A-1 – DISTRICT LEGAL DESCRIPTION

### LEGAL DESCRIPTION

BEING a tract of land situated in the Samuel M. Ranier Survey, Abstract Number 470, in the City of Lavon, Collin County, Texas, being part of a tract of land described in a deed to Meredith M. Roark and Margaret M. Arnold, recorded in Document No. 2010526000533270, in the Deed Records of Collin County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod found at the southeast corner of said Roark and Arnold tract, being the southwest corner of a called 140.22 acre tract of land described in a deed to Petro Hunt, LLC, as recorded in Document No. 20070208000186500, in said Deed Records, also being in the north line of a tract of land described in a deed to Northeast Texas Rural Rail Transportation District, recorded in Volume 5585, Page 2680, in said Deed Records;

THENCE South 72 degrees 03 minutes 07 seconds West, with the south line of said Roark and Arnold tract and the north line of said Northeast Texas Rural Rail Transportation District tract, a distance of 1,656.82 feet to a 1/2-inch iron rod with red cap stamped "PJB SURVEYING" set at the southwest corner of said Roark and Arnold tract, being southeast corner of a 0.478 acre tract of land described in a deed to North Texas Municipal Water District, recorded in Document No. 20121116001469900, in said Deed Records;

THENCE North 23 degrees 30 minutes 56 seconds West, departing the north line of said Northeast Texas Rural Rail Transportation District tract, with the west line of said Roark and Arnold tract, and with the east lines of said 0.478 acre tract and a called 0.91 acre tract described in a deed to Mary Evans, recorded in Document No. 200804070014460, in said Deed Records, a distance of 173.19 feet to a 1/2-inch iron rod found;

THENCE North 01 degree 53 minutes 11 seconds West, continuing with the west line of said Roark and Arnold tract, and with the east lines of said 0.91 acre tract and a called 2.062 acre tract of land described in a deed to Connie S. Miller, recorded in Volume 4001, Page 947, in said Deed Records, a distance of 530.40 feet to a 1/2-inch iron rod found at the northeast corner of said 2.062 acre tract;

THENCE South 84 degrees 43 minutes 14 seconds West, continuing with the west line of said Roark and Arnold tract and with the north line of said 2.062 acre tract, a distance of 236.18 feet to a 1/2-inch iron rod found at the northwest corner of said 2.062 acre tract, being in the east line of a tract of land described as Tract Two in a deed to 78 Straddle, LP, recorded in Volume 5571, Page 3351, in said Deed Records, also being the approximate center of Bois D'Arc Lane (no recording information found);

THENCE North 06 degrees 53 minutes 43 seconds West, continuing with the west line of said Roark and Arnold tract, with the east lines of said Tract Two and a tract of land described as Tract No. 2 in a deed to DPB Investments, LP, recorded in Document No. 20110606000576510, in said Deed Records, and along said Bois D'Arc Lane, a distance of 748.23 feet to a 1/2-inch iron rod with red cap stamped "PJB SURVEYING" set at the northeast corner of said Tract No. 2, being in the south line of a called 2.25 acre tract of land described in a deed to MJKMart, LLC, recorded in Document No. 20120906001115340, in said Deed Records;

THENCE South 89 degrees 16 minutes 47 seconds East, continuing with the west line of said Roark and Arnold tract and with the south line of said 2.25 acre tract, a distance of 64.98 feet to a 1/2-inch iron rod found at the southeast corner of said 2.25 acre tract;

THENCE North 11 degrees 02 minutes 32 seconds West, continuing with the west line of said Roark and Arnold tract and with the east line of said 2.25 acre tract, a distance of 490.85 feet to a 1/2-inch iron rod with red cap stamped "PJB SURVEYING" set at the north corner of said 2.25 acre tract, being in the east line of State Highway 78 (variable width right-of-way);

THENCE North 33 degrees 42 minutes 56 seconds East, continuing with the west line of said Roark and Arnold tract and with the east line of said State Highway 78, a distance of 1,298.45 feet to a 5/8-inch iron rod with TxDOT Aluminum cap found on a non-tangent curve to the left, having a radius of 5,729.57 feet and a central angle of 11 degrees 53 minutes 10 seconds;

THENCE continuing with the west line of said Roark and Arnold tract and the east line of said State Highway 78, and with said curve to the left, an arc distance of 1,188.61 feet (Chord Bearing North 27 degrees 54 minutes 44 seconds East – 1,186.48 feet);

THENCE, South 88 degrees 51 minutes 28 seconds East, departing said east and west lines, for a distance of 167.90 feet;

THENCE, North 33 degrees 46 minutes 49 seconds East, for a distance of 344.38 feet;

THENCE, South 88 degrees 51 minutes 28 seconds East, for a distance of 625.77 feet;

THENCE, North 01 degrees 01 minutes 20 seconds East, for a distance of 9.75 feet;

THENCE, South 88 degrees 58 minutes 40 seconds East, for a distance of 118.86 feet;

THENCE, South 01 degrees 01 minutes 20 seconds West, for a distance of 300.00 feet;

THENCE, South 88 degrees 51 minutes 28 seconds East, for a distance of 580.12 feet, in the east line of said Roark and Arnold tract, being in the west line of called 59.757 acre tract described in a deed to Petro Hunt LLC, records in Document No. 20070208000183240, in said Deed Records;

THENCE South 01 degree 00 minutes 58 seconds West, with the east line of said Roark and Arnold tract, and with the west line of said 59.757 acre tract, a distance of 1,450.63 feet to the southwest corner of said 59.757 acre tract, being in the north line of the aforementioned 140.22 acre tract;

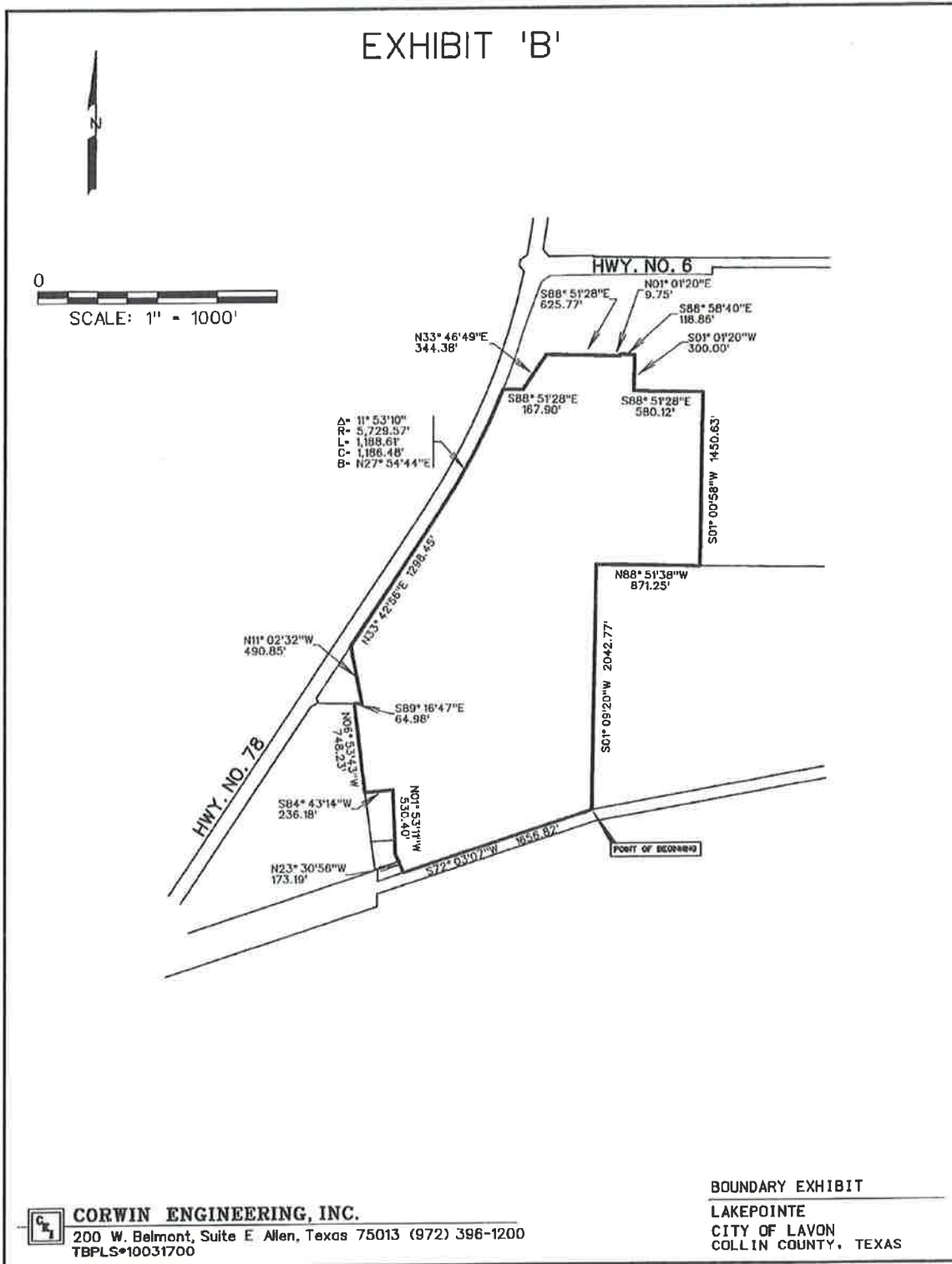
THENCE North 88 degrees 51 minutes 38 seconds West, continuing with the east line of said Roark and Arnold tract and with the north line said 140.22 acre tract, a distance of 871.25 feet to a 1/2-inch iron rod found at the northwest corner of said 140.22 acre tract;

THENCE South 01 degree 09 minutes 20 seconds West, continuing with the east line of said Roark and Arnold tract and with the west line said 140.22 acre tract, a distance of 2,042.77 feet to the POINT OF BEGINNING and containing 173.037 acres of land.

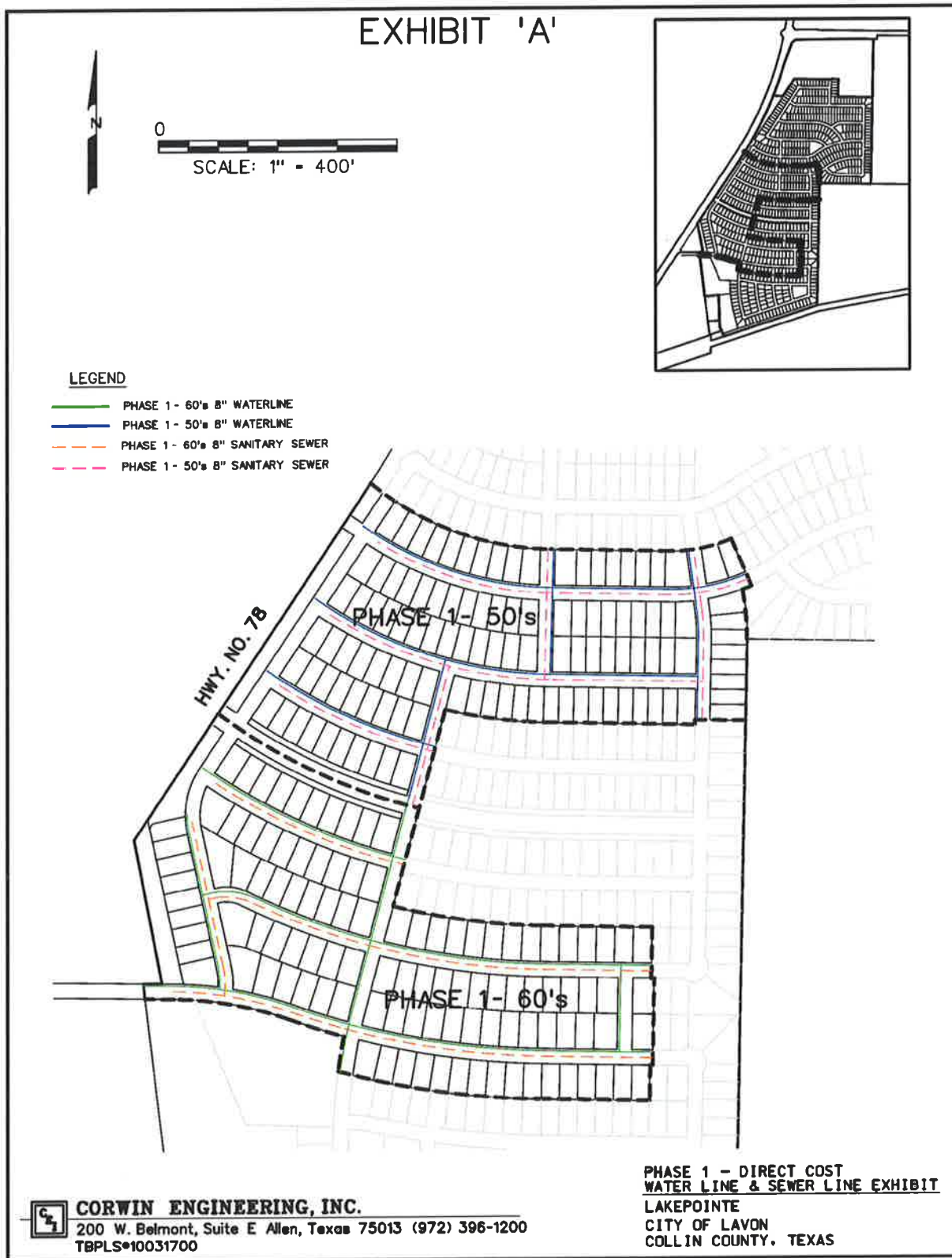
**EXHIBIT A-2 – IMPROVEMENT AREA #1 LEGAL DESCRIPTION**

**EXHIBIT A-3 – MAJOR IMPROVEMENT AREA LEGAL DESCRIPTION**

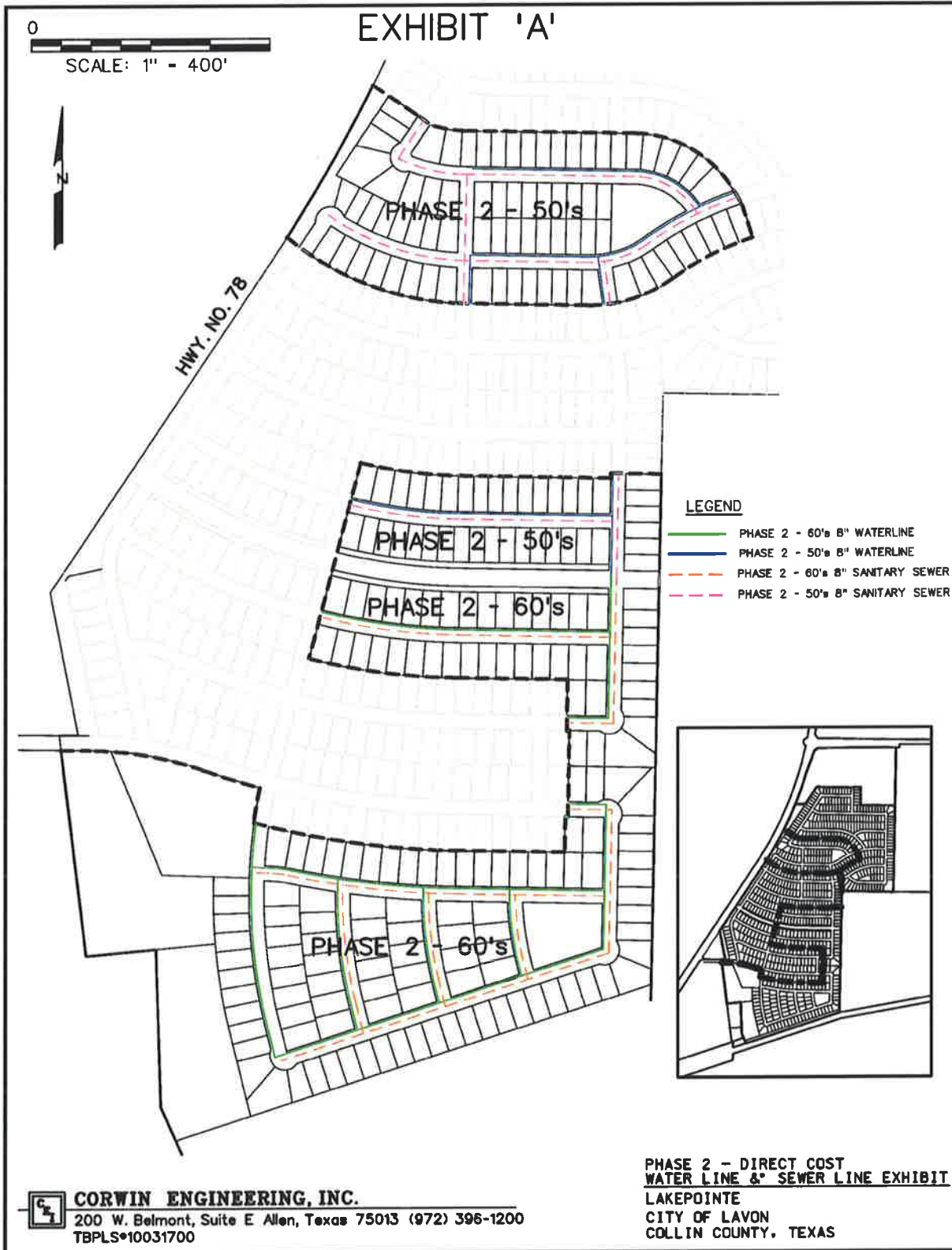
EXHIBIT B-1 – MAP OF THE DISTRICT



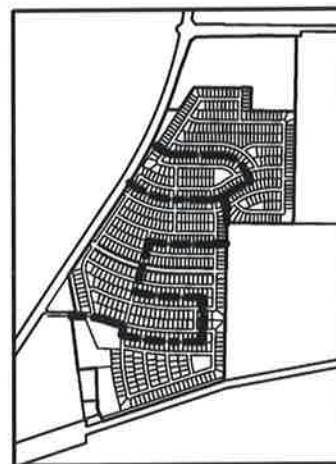
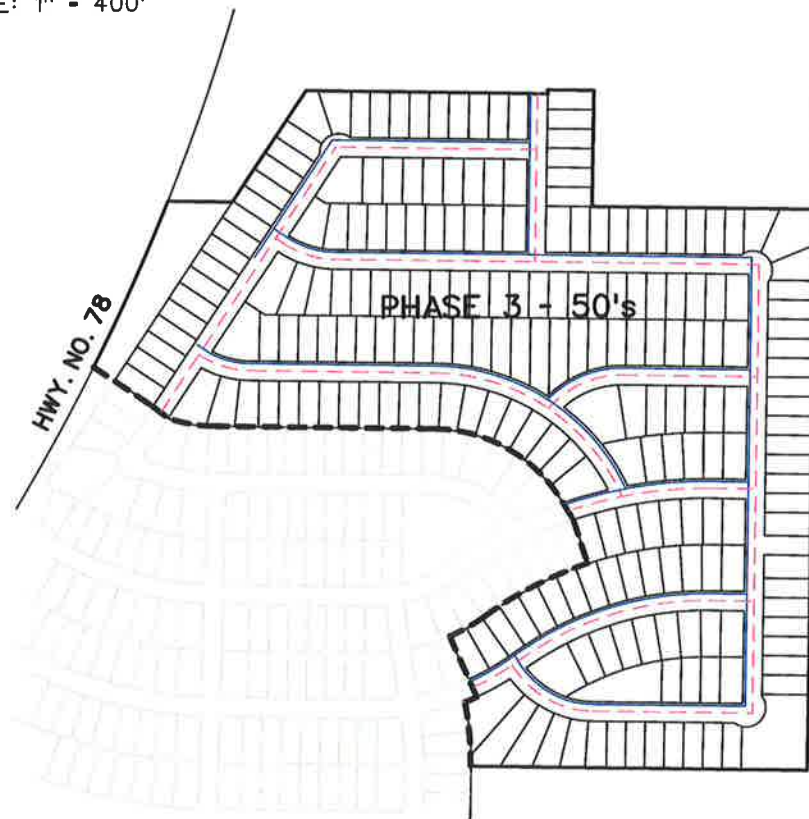
**EXHIBIT B-2 – MAP OF IMPROVEMENT AREA #1**





**EXHIBIT B-3 – MAP OF MAJOR IMPROVEMENT AREA**



# EXHIBIT 'A'



### LEGEND

-  PHASE 3 - 50's 8" WATERLINE
-  PHASE 3 - 50's 8" SANITARY SEWER



**CORWIN ENGINEERING, INC.**  
200 W. Belmont, Suite E Allen, Texas 75013 (972) 396-1200  
TBPLS\*10031700

**PHASE 3 - DIRECT COST  
WATER LINE & SEWER LINE EXHIBIT  
LAKEPOINTE  
CITY OF LAVON  
COLLIN COUNTY, TEXAS**

## EXHIBIT C – ALLOCATION OF AUTHORIZED IMPROVEMENTS

	Total Costs <sup>1</sup>		Non-District Property		Improvement Area #1		Major Improvement Area	
		Cost	%	Cost	%	Cost	%	Cost
<i>Improvement Area #1 Improvements</i>								
Sewer	\$ 579,178	\$ -	0.00%	\$ -	100.00%	\$ 579,178	0.00%	\$ -
Storm Sewer	1,315,800	-	0.00%	-	100.00%	1,315,800	0.00%	-
Pavement	1,893,868	-	0.00%	-	100.00%	1,893,868	0.00%	-
Engineering, Design, Fees and Construction Management	1,343,808	-	0.00%	-	100.00%	1,343,808	0.00%	-
	<u>\$ 5,132,655</u>	<u>\$ -</u>		<u>\$ -</u>		<u>\$ 5,132,655</u>		<u>\$ -</u>
<i>Major Improvements<sup>2</sup></i>								
Right of Way	\$ 172,000	\$ -	32.22%	\$ 55,422	32.22%	\$ 55,422	67.78%	\$ 116,578
Sewer <sup>3</sup>	734,225	51,225	32.22%	51,225	32.22%	220,079	67.78%	462,921
Storm Sewer	32,250	-	32.22%	-	32.22%	10,392	67.78%	21,858
Pavement	679,776	-	32.22%	-	32.22%	219,040	67.78%	460,736
Engineering, Design, Fees and Construction Management	232,691	-	32.22%	-	32.22%	74,979	67.78%	157,713
Hardscape and Landscape	667,575	-	32.22%	-	32.22%	215,108	67.78%	452,467
PID Creation Cost	521,375	-	32.22%	-	32.22%	167,999	67.78%	353,376
	<u>\$ 3,039,893</u>	<u>\$ 51,225</u>		<u>\$ 963,019</u>		<u>\$ 2,025,648</u>		<u>\$ -</u>
<i>Bond Issuance Costs</i>								
1st Year Collection Costs	\$ 60,000	\$ -		\$ -		\$ 30,000		\$ 30,000
Debt Service Reserve Fund	506,763	-		-		313,325		193,438
Capitalized Interest	397,988	-		-		244,750		153,238
Underwriter Discount	213,450	-		-		133,500		79,950
Cost of Issuance	498,050	-		-		311,500		186,550
	<u>\$ 1,676,250</u>	<u>\$ -</u>		<u>\$ 1,033,075</u>		<u>\$ 643,175</u>		<u>\$ -</u>
<b>Total</b>	<b>\$ 9,848,797</b>	<b>\$ 51,225</b>		<b>\$ 7,128,749</b>		<b>\$ 2,668,823</b>		<b>\$ -</b>

Notes:

<sup>1</sup>All costs include an 7.5% contingency cost

<sup>2</sup>Major Improvements are allocated to each Improvement Area based on that Improvement Area's pro rata share of the total buildout value.

<sup>3</sup>The Bear Creek Trunk Sewer is oversized to provide sewer to property outside of the District, and the oversized portion is not allocated to Assessed Property. The total cost of the Bear Creek Trunk Sewer is \$1,038,148. Only \$683,000 benefits the District and is considered an Authorized Improvement Cost, per Bear Creek Trunk Sewer Memorandum from Mark, D. Hill, P.E. to Kim Dobbs, City of Lavan, October 9, 2018.

## EXHIBIT D – SERVICE PLAN

		Improvement Area #1				
Installments Due		1/31/2020	1/31/2021	1/31/2022	1/31/2023	1/31/2024
<i>Improvement Area #1 Bonds</i>						
Principal		\$ -	\$ 65,000	\$ 70,000	\$ 75,000	\$ 80,000
Interest		244,750	244,750	241,175	237,325	233,200
Capitalized Interest		(244,750)	-	-	-	-
<b>Total Debt Service on IA #1 Bonds</b>	(1)	<b>\$ -</b>	<b>\$ 309,750</b>	<b>\$ 311,175</b>	<b>\$ 312,325</b>	<b>\$ 313,200</b>
<i>Improvement Area #1 Reimbursement Obligation</i>						
Principal		\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Interest <sup>1</sup>		72,050	70,950	69,850	68,750	67,650
<b>Total Debt Service on IA #1 Reimbursement Obligation</b>	(2)	<b>\$ 92,050</b>	<b>\$ 90,950</b>	<b>\$ 89,850</b>	<b>\$ 88,750</b>	<b>\$ 87,650</b>
Annual Collection Costs	(3)	\$ 30,600	\$ 31,212	\$ 31,836	\$ 32,473	\$ 33,122
Additional Interest Reserve	(4)	\$ 22,250	\$ 22,250	\$ 21,925	\$ 21,575	\$ 21,200
<b>Total Improvement Area #1 Annual Installment</b>	<b>(5) = (1) + (2) + (3) + (4)</b>	<b>\$ 144,900</b>	<b>\$ 454,162</b>	<b>\$ 454,786</b>	<b>\$ 455,123</b>	<b>\$ 455,172</b>

		Major Improvement Area				
Installments Due		1/31/2020	1/31/2021	1/31/2022	1/31/2023	1/31/2024
<i>Major Improvement Area Bonds</i>						
Principal		\$ -	\$ 40,000	\$ 40,000	\$ 40,000	\$ 45,000
Interest		153,238	153,238	150,938	148,638	146,338
Capitalized Interest		(153,238)	-	-	-	-
<b>Total Debt Service on MIA Bonds</b>	(1)	<b>\$ -</b>	<b>\$ 193,238</b>	<b>\$ 190,938</b>	<b>\$ 188,638</b>	<b>\$ 191,338</b>
Annual Collection Costs	(2)	\$ 30,600	\$ 31,212	\$ 31,836	\$ 32,473	\$ 33,122
Additional Interest Reserve	(3)	\$ 13,325	\$ 13,325	\$ 13,125	\$ 12,925	\$ 12,725
<b>Total Major Improvement Area Installment</b>	<b>(4) = (1) + (2) + (3)</b>	<b>\$ 43,925</b>	<b>\$ 237,775</b>	<b>\$ 235,899</b>	<b>\$ 234,035</b>	<b>\$ 237,185</b>

## EXHIBIT E – SOURCES AND USES OF FUNDS

	Improvement Area #1	Major Improvement Area
<b>Sources of Funds</b>		
Bond Par Amount	\$ 4,450,000	\$ 2,665,000
Owner Advance <sup>1</sup>	1,310,000	-
Owner Contribution <sup>2</sup>	1,368,749	3,823
<b>Total Sources</b>	<b>\$ 7,128,749</b>	<b>\$ 2,668,823</b>
<b>Uses of Funds</b>		
Improvement Area #1 Improvements	\$ 5,132,655	\$ -
Major Improvements	963,019	2,025,648
	<b>\$ 6,095,674</b>	<b>\$ 2,025,648</b>
1st Year Annual Collection Costs	\$ 30,000	\$ 30,000
Debt Service Reserve Fund	313,325	193,438
Capitalized Interest	244,750	153,238
Underwriter Discount	133,500	79,950
Cost of Issuance	311,500	186,550
	<b>\$ 1,033,075</b>	<b>\$ 643,175</b>
<b>Total Uses</b>	<b>\$ 7,128,749</b>	<b>\$ 2,668,823</b>

**Notes:**

<sup>1</sup>Owner Advance is subject to the Improvement Area #1 Reimbursement Obligation

<sup>2</sup>Not reimbursable to Owner

## EXHIBIT F-1 – IMPROVEMENT AREA #1 ASSESSMENT ROLL

Parcel ID	Outstanding Assessment	PID Bonds		Reimbursement Obligation		Collection Costs	Annual Installment Due 1/31/20
		Principal	Interest	Principal	Interest		
Improvement Area #1 Assessed Property	\$ 5,760,000.00	-	-	\$ 22,250.00	\$ 20,000.00	\$ 30,600.00	\$ 144,900.00
<b>Total</b>	<b>\$ 5,760,000.00</b>	<b>-</b>	<b>-</b>	<b>\$ 22,250.00</b>	<b>\$ 20,000.00</b>	<b>\$ 30,600.00</b>	<b>\$ 144,900.00</b>

## EXHIBIT F-2 – IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

Installments Due	Improvement Area #1 Bonds <sup>1</sup>		Improvement Area #1 Reimbursement Obligation <sup>2</sup>		Additional Reserve	Capitalized Interest	Reserve Fund Release	Annual Collection Costs	Total Installment
	Principal	Interest	Principal	Interest <sup>1</sup>					
1/31/2020	\$ -	\$ 244,750.00	\$ 20,000.00	\$ 72,050.00	\$ 22,250.00	\$ (244,750.00)	\$ -	\$ 30,600.00	\$ 144,900.00
1/31/2021	\$ 65,000.00	\$ 244,750.00	\$ 20,000.00	\$ 70,950.00	\$ 22,250.00	\$ -	\$ -	\$ 31,212.00	\$ 454,162.00
1/31/2022	\$ 70,000.00	\$ 241,175.00	\$ 20,000.00	\$ 69,850.00	\$ 21,925.00	\$ -	\$ -	\$ 31,836.24	\$ 454,786.24
1/31/2023	\$ 75,000.00	\$ 237,325.00	\$ 20,000.00	\$ 68,750.00	\$ 21,575.00	\$ -	\$ -	\$ 32,472.96	\$ 455,122.96
1/31/2024	\$ 80,000.00	\$ 233,200.00	\$ 20,000.00	\$ 67,650.00	\$ 21,200.00	\$ -	\$ -	\$ 33,122.42	\$ 455,172.42
1/31/2025	\$ 80,000.00	\$ 228,800.00	\$ 25,000.00	\$ 66,500.00	\$ 20,800.00	\$ -	\$ -	\$ 33,784.87	\$ 454,934.87
1/31/2026	\$ 85,000.00	\$ 224,400.00	\$ 25,000.00	\$ 65,175.00	\$ 20,400.00	\$ -	\$ -	\$ 34,460.57	\$ 454,435.57
1/31/2027	\$ 90,000.00	\$ 219,725.00	\$ 25,000.00	\$ 63,800.00	\$ 19,975.00	\$ -	\$ -	\$ 35,149.78	\$ 453,649.78
1/31/2028	\$ 95,000.00	\$ 214,775.00	\$ 30,000.00	\$ 62,425.00	\$ 19,525.00	\$ -	\$ -	\$ 35,852.78	\$ 457,577.78
1/31/2029	\$ 100,000.00	\$ 209,550.00	\$ 30,000.00	\$ 60,775.00	\$ 19,050.00	\$ -	\$ -	\$ 36,569.83	\$ 455,944.83
1/31/2030	\$ 105,000.00	\$ 204,050.00	\$ 30,000.00	\$ 59,125.00	\$ 18,550.00	\$ -	\$ -	\$ 37,301.23	\$ 454,026.23
1/31/2031	\$ 110,000.00	\$ 198,275.00	\$ 35,000.00	\$ 57,475.00	\$ 17,250.00	\$ -	\$ -	\$ 38,047.25	\$ 456,047.25
1/31/2032	\$ 120,000.00	\$ 192,225.00	\$ 35,000.00	\$ 55,550.00	\$ -	\$ -	\$ -	\$ 38,808.20	\$ 441,583.20
1/31/2033	\$ 125,000.00	\$ 185,625.00	\$ 35,000.00	\$ 53,625.00	\$ -	\$ -	\$ -	\$ 39,584.36	\$ 438,834.36
1/31/2034	\$ 130,000.00	\$ 178,750.00	\$ 40,000.00	\$ 51,700.00	\$ -	\$ -	\$ -	\$ 40,376.05	\$ 440,826.05
1/31/2035	\$ 140,000.00	\$ 171,600.00	\$ 40,000.00	\$ 49,500.00	\$ -	\$ -	\$ -	\$ 41,183.57	\$ 442,283.57
1/31/2036	\$ 145,000.00	\$ 163,900.00	\$ 40,000.00	\$ 47,300.00	\$ -	\$ -	\$ -	\$ 42,007.24	\$ 438,207.24
1/31/2037	\$ 155,000.00	\$ 155,925.00	\$ 45,000.00	\$ 45,100.00	\$ -	\$ -	\$ -	\$ 42,847.39	\$ 443,872.39
1/31/2038	\$ 165,000.00	\$ 147,400.00	\$ 50,000.00	\$ 42,625.00	\$ -	\$ -	\$ -	\$ 43,704.34	\$ 443,729.34
1/31/2039	\$ 175,000.00	\$ 138,325.00	\$ 55,000.00	\$ 40,150.00	\$ -	\$ -	\$ -	\$ 44,578.42	\$ 448,053.42
1/31/2040	\$ 180,000.00	\$ 128,700.00	\$ 55,000.00	\$ 37,400.00	\$ -	\$ -	\$ -	\$ 45,469.99	\$ 446,569.99
1/31/2041	\$ 190,000.00	\$ 118,800.00	\$ 55,000.00	\$ 34,375.00	\$ -	\$ -	\$ -	\$ 46,379.39	\$ 444,554.39
1/31/2042	\$ 200,000.00	\$ 108,350.00	\$ 60,000.00	\$ 31,350.00	\$ -	\$ -	\$ -	\$ 47,306.98	\$ 447,006.98
1/31/2043	\$ 215,000.00	\$ 97,350.00	\$ 60,000.00	\$ 28,050.00	\$ -	\$ -	\$ -	\$ 48,253.12	\$ 448,653.12
1/31/2044	\$ 225,000.00	\$ 85,525.00	\$ 65,000.00	\$ 24,750.00	\$ -	\$ -	\$ -	\$ 49,218.18	\$ 449,493.18
1/31/2045	\$ 240,000.00	\$ 73,150.00	\$ 70,000.00	\$ 21,175.00	\$ -	\$ -	\$ -	\$ 50,202.54	\$ 454,527.54
1/31/2046	\$ 250,000.00	\$ 59,950.00	\$ 75,000.00	\$ 17,325.00	\$ -	\$ -	\$ -	\$ 51,206.59	\$ 453,481.59
1/31/2047	\$ 265,000.00	\$ 46,200.00	\$ 75,000.00	\$ 13,200.00	\$ -	\$ -	\$ -	\$ 52,230.73	\$ 451,630.73
1/31/2048	\$ 280,000.00	\$ 31,625.00	\$ 80,000.00	\$ 9,075.00	\$ -	\$ -	\$ -	\$ 53,275.34	\$ 453,975.34
1/31/2049	\$ 295,000.00	\$ 16,225.00	\$ 85,000.00	\$ 4,675.00	\$ -	\$ -	\$ (313,325.00)	\$ 54,340.85	\$ 141,915.85
<b>Total</b>	<b>\$ 4,450,000.00</b>	<b>\$ 4,800,400.00</b>	<b>\$ 1,310,000.00</b>	<b>\$ 1,391,500.00</b>	<b>\$ 244,750.00</b>	<b>\$ (244,750.00)</b>	<b>\$ (313,325.00)</b>	<b>\$ 1,241,383.22</b>	<b>\$ 12,879,958.22</b>

<sup>1</sup>All Assessment will be pledged to the Improvement Area #1 Bonds and amounts in excess of the amounts needed to pay debt service and fund the Debt Service Reserve Fund, etc. will then be used to pay the Reimbursement Obligation.

<sup>2</sup>First payment on Reimbursement Obligation deferred until payment due 1/31/2021.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

**EXHIBIT G-1 – MAJOR IMPROVEMENT AREA ASSESSMENT ROLL**

Parcel ID	Outstanding Assessment	Total Assessments					Annual Installment Due 1/31/20
		Principal	Interest	Additional Interest Reserve	Annual Collection Costs	Annual Installment	
Major Improvement Area Assessed Property	\$ 2,665,000.00	\$ -	\$ -	\$ 13,325.00	\$ 30,600.00	\$ 43,925.00	
<b>Total</b>	\$ 2,665,000.00	\$ -	\$ -	\$ 13,325.00	\$ 30,600.00	\$ 43,925.00	

## EXHIBIT G-2 – MAJOR IMPROVEMENT AREA ANNUAL INSTALLMENTS

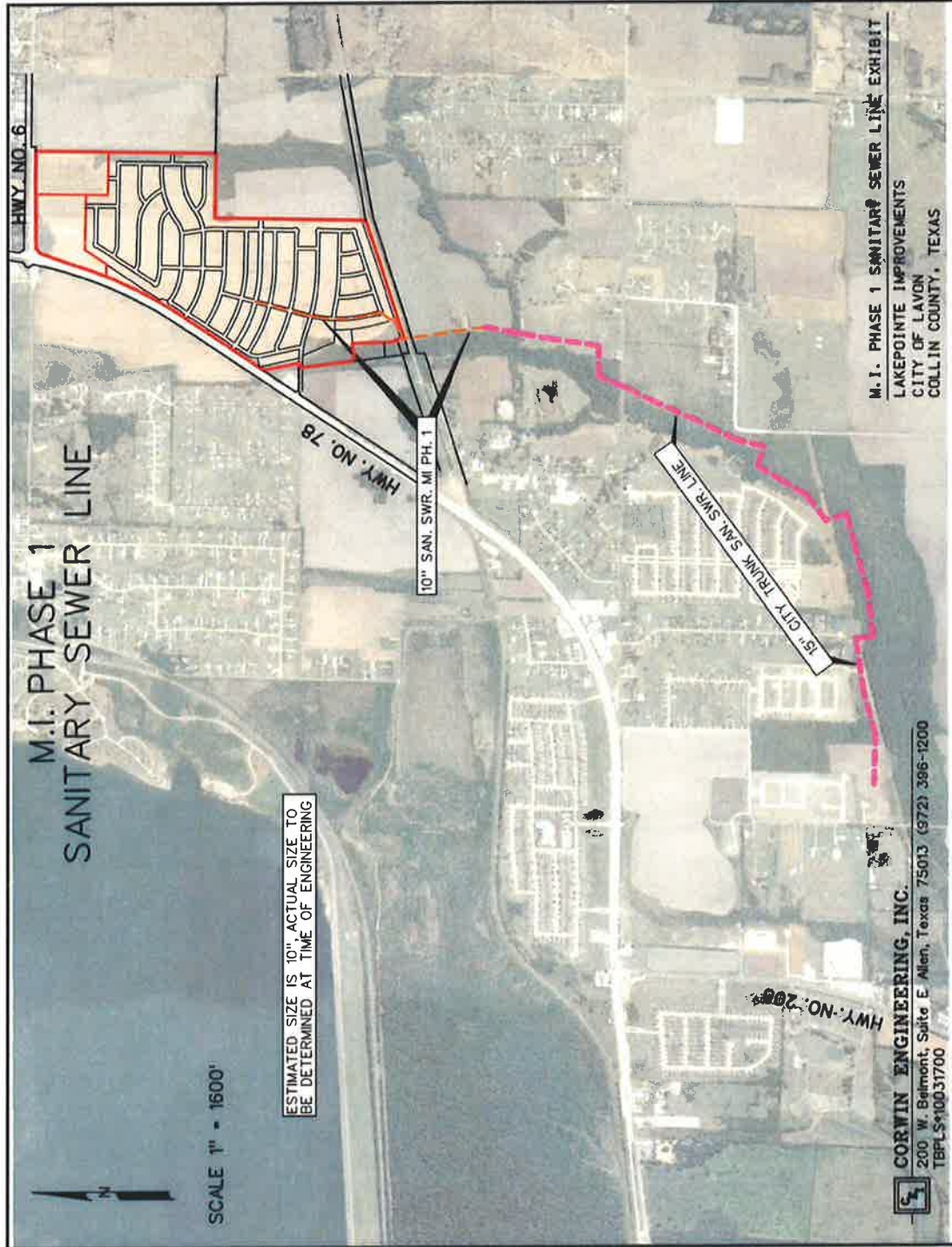
Installments Due	Principal	Interest	Additional Interest Reserve	Capitalized Interest	Reserve Fund Release	Annual Collection Costs	Total Installment
1/31/2020	\$ -	\$ 153,237.50	\$ 13,325.00	\$ (153,237.50)	\$ -	\$ 30,600.00	\$ 43,925.00
1/31/2021	\$ 40,000.00	\$ 153,237.50	\$ 13,325.00	\$ -	\$ -	\$ 31,212.00	\$ 237,774.50
1/31/2022	\$ 40,000.00	\$ 150,937.50	\$ 13,125.00	\$ -	\$ -	\$ 31,836.24	\$ 235,898.74
1/31/2023	\$ 40,000.00	\$ 148,637.50	\$ 12,925.00	\$ -	\$ -	\$ 32,472.96	\$ 234,035.46
1/31/2024	\$ 45,000.00	\$ 146,337.50	\$ 12,725.00	\$ -	\$ -	\$ 33,122.42	\$ 237,184.92
1/31/2025	\$ 45,000.00	\$ 143,750.00	\$ 12,500.00	\$ -	\$ -	\$ 33,784.87	\$ 235,034.87
1/31/2026	\$ 50,000.00	\$ 141,162.50	\$ 12,275.00	\$ -	\$ -	\$ 34,460.57	\$ 237,898.07
1/31/2027	\$ 55,000.00	\$ 138,287.50	\$ 12,025.00	\$ -	\$ -	\$ 35,149.78	\$ 240,462.28
1/31/2028	\$ 55,000.00	\$ 135,125.00	\$ 11,750.00	\$ -	\$ -	\$ 35,852.78	\$ 237,727.78
1/31/2029	\$ 60,000.00	\$ 131,962.50	\$ 11,475.00	\$ -	\$ -	\$ 36,569.83	\$ 240,007.33
1/31/2030	\$ 60,000.00	\$ 128,512.50	\$ 11,175.00	\$ -	\$ -	\$ 37,301.23	\$ 236,988.73
1/31/2031	\$ 65,000.00	\$ 125,062.50	\$ 9,950.00	\$ -	\$ -	\$ 38,047.25	\$ 238,059.75
1/31/2032	\$ 70,000.00	\$ 121,325.00	\$ -	\$ -	\$ -	\$ 38,808.20	\$ 230,133.20
1/31/2033	\$ 75,000.00	\$ 117,300.00	\$ -	\$ -	\$ -	\$ 39,584.36	\$ 231,884.36
1/31/2034	\$ 80,000.00	\$ 112,987.50	\$ -	\$ -	\$ -	\$ 40,376.05	\$ 233,363.55
1/31/2035	\$ 85,000.00	\$ 108,387.50	\$ -	\$ -	\$ -	\$ 41,183.57	\$ 234,571.07
1/31/2036	\$ 85,000.00	\$ 103,500.00	\$ -	\$ -	\$ -	\$ 42,007.24	\$ 230,507.24
1/31/2037	\$ 90,000.00	\$ 98,612.50	\$ -	\$ -	\$ -	\$ 42,847.39	\$ 231,459.89
1/31/2038	\$ 100,000.00	\$ 93,437.50	\$ -	\$ -	\$ -	\$ 43,704.34	\$ 237,141.84
1/31/2039	\$ 105,000.00	\$ 87,687.50	\$ -	\$ -	\$ -	\$ 44,578.42	\$ 237,265.92
1/31/2040	\$ 110,000.00	\$ 81,650.00	\$ -	\$ -	\$ -	\$ 45,469.99	\$ 237,119.99
1/31/2041	\$ 115,000.00	\$ 75,325.00	\$ -	\$ -	\$ -	\$ 46,379.39	\$ 236,704.39
1/31/2042	\$ 120,000.00	\$ 68,712.50	\$ -	\$ -	\$ -	\$ 47,306.98	\$ 236,019.48
1/31/2043	\$ 130,000.00	\$ 61,812.50	\$ -	\$ -	\$ -	\$ 48,253.12	\$ 240,065.62
1/31/2044	\$ 135,000.00	\$ 54,337.50	\$ -	\$ -	\$ -	\$ 49,218.18	\$ 238,555.68
1/31/2045	\$ 145,000.00	\$ 46,575.00	\$ -	\$ -	\$ -	\$ 50,202.54	\$ 241,777.54
1/31/2046	\$ 155,000.00	\$ 38,237.50	\$ -	\$ -	\$ -	\$ 51,206.59	\$ 244,444.09
1/31/2047	\$ 160,000.00	\$ 29,325.00	\$ -	\$ -	\$ -	\$ 52,230.73	\$ 241,555.73
1/31/2048	\$ 170,000.00	\$ 20,125.00	\$ -	\$ -	\$ -	\$ 53,275.34	\$ 243,400.34
1/31/2049	\$ 180,000.00	\$ 10,350.00	\$ -	\$ -	\$ (193,437.50)	\$ 54,340.85	\$ 51,253.35
<b>Total</b>	<b>\$ 2,665,000.00</b>	<b>\$ 3,025,937.50</b>	<b>\$ 146,575.00</b>	<b>\$ (153,237.50)</b>	<b>\$ (193,437.50)</b>	<b>\$ 1,241,383.22</b>	<b>\$ 6,732,220.72</b>

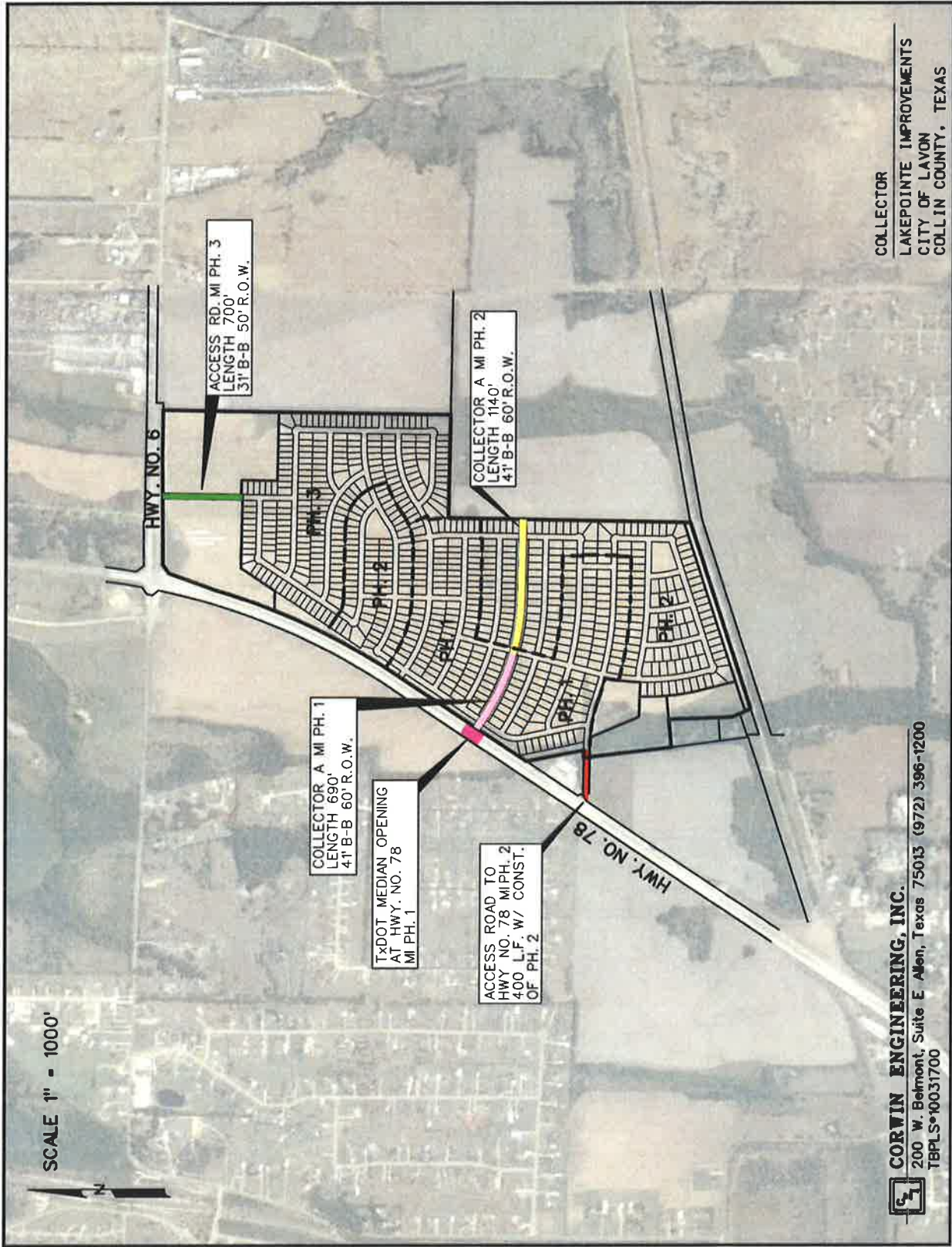
Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

**EXHIBIT H-1 – MAPS OF IMPROVEMENT AREA #1 IMPROVEMENTS**

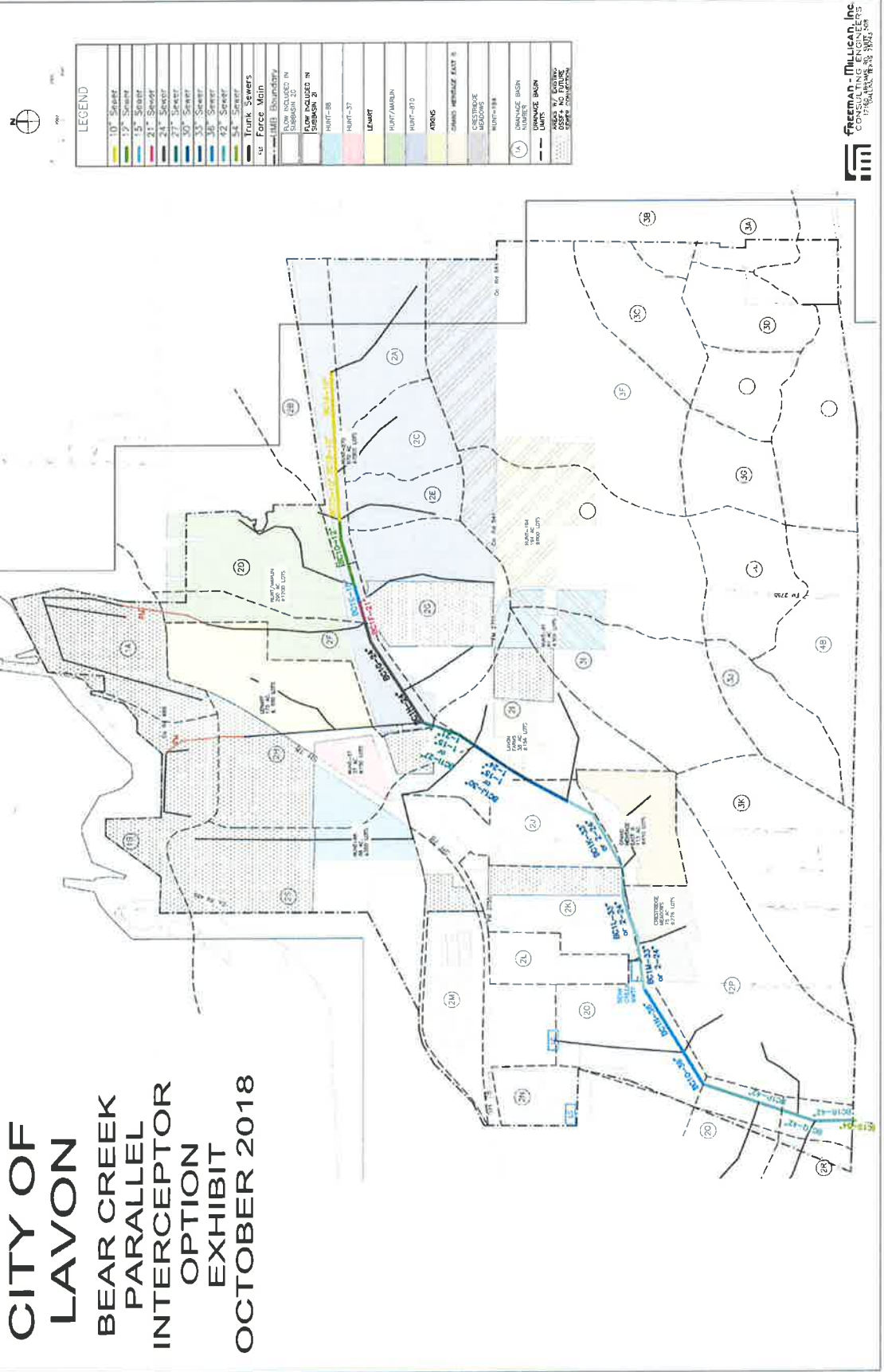


EXHIBIT H-2 – MAPS OF MAJOR IMPROVEMENTS





**CITY OF  
LAVON  
BEAR CREEK  
PARALLEL  
INTERCEPTOR  
OPTION  
EXHIBIT  
OCTOBER 2018**



**Freeman Mullica, Inc.**  
 CIVIL ENGINEERS AND SURVEYORS  
 17000 W. 12th St., Suite 200  
 Overland Park, KS 66204  
 (913) 666-1100

**EXHIBIT I – FORM OF NOTICE OF PID ASSESSMENT TERMINATION**



P3Works, LLC  
350 Rufe Snow Drive, Suite 200  
Keller, TX 76248

[Date]  
Collin County Clerk's Office  
Honorable [County Clerk]  
Collin County Administration Building  
2300 Bloomdale Rd  
Suite 2106  
McKinney, TX 75071

**Re: City of Lavon Lien Release documents for filing**

Dear Ms./Mr. [County Clerk],

Enclosed is a lien release that the City of Lavon is requesting to be filed in your office. Lien release for [insert legal description]. Recording Numbers: [Plat]. Please forward copies of the filed documents to my attention:

City of Lavon  
Attn: [City Secretary]  
PO Box 340  
120 School Road  
Lavon, TX 75166

Please contact me if you have any questions or need additional information.

Sincerely,  
[Signature]

P3Works, LLC  
(817) 393-0353  
Admin@P3-Works.com  
www.P3-Works.com



[legal description], a subdivision in Collin County, Texas, according to the map or plat of record in Document/Instrument No. \_\_\_\_\_ of the Plat Records of Collin County, Texas (hereinafter referred to as the "Property"); and

**WHEREAS**, the property owners of the Property have paid unto the City the Lien Amount.

**RELEASE**

**NOW THEREFORE**, the City, the owner and holder of the Lien, Instrument No. \_\_\_\_\_, in the Real Property Records of Collin County, Texas, in the amount of the Lien Amount against the Property releases and discharges, and by these presents does hereby release and discharge, the above-described Property from said lien held by the undersigned securing said indebtedness.

**EXECUTED** to be **EFFECTIVE** this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**CITY OF LAVON, TEXAS,**  
A Texas home rule municipality,

By: \_\_\_\_\_  
[Manager Name], City Administrator

**ATTEST:**

\_\_\_\_\_  
[Secretary Name], City Secretary

**STATE OF TEXAS**                   §  
  §  
**COUNTY OF COLLIN**           §

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by [City Manager], City Administrator for the City of Lavon, Texas, a Texas home rule municipality, on behalf of said municipality.

\_\_\_\_\_  
Notary Public, State of Texas

**EXHIBIT B**  
**CITY OF LAVON, TEXAS**  
**NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN THAT a public hearing will be conducted by the City Council of Lavon, Texas on July 2, 2019 at 7:00 p.m. at 120 School Road, Lavon, Texas 75166. The public hearing will be held to consider proposed assessments to be levied against the assessable property within the LakePointe Public Improvement District (the "District") pursuant to the provisions of Chapter 372 of the Texas Local Government Code, as amended (the "Act").

The proposed Authorized Improvements to be undertaken at this time include road improvements, sanitary sewer collection system improvements, storm sewer collection system improvements, park, hardscape, landscape and open space improvements, and costs related to the creation of the District.

The total costs of the Authorized Improvements for Major Improvements and Improvement Area #1, including the costs of creating the District and issuing the bonds, is \$                     . The total costs of Authorized Improvements to benefit future Improvement Areas within the District cannot be determined with certainty at this time, but shall not exceed an additional \$                     .

The boundaries of the District include approximately ±173.037 acres of land situated in the Samuel M. Ranier Survey, Abstract No. 470, Collin County, State of Texas, and generally located east of FM 78, south of FM 6 and north/northeast of Bois D'arc Road, and as more particularly described by a metes and bounds description available at Lavon City Hall located at 120 School Road, Lavon, Texas 75166 and available for public inspection.

All written or oral objections on the proposed assessment within the District will be considered at the public hearing.

A copy of the Major Improvements and Improvement Area #1 Assessment Roll relating to the Authorized Improvements, (the "Assessment Roll"), which Assessment Roll includes the assessments to be levied against each parcel in the District, is available for public inspection at the office of the City Secretary, 120 School Road, Lavon, Texas 75166.





**CITY OF LAVON  
CITY COUNCIL  
Agenda Brief**

**MEETING: June 4, 2019**

**ITEM: 8 - F**

**Item:**

Discussion and action regarding Resolution No. **2019-06-03** authorizing the Mayor to execute a professional services agreement with P3 Works LLC for the provision of public improvement district administration and service and assessment plan consultant services for the Lakepointe Public Improvement District; and providing an effective date.

**Background:**

On March 19, 2019, the City Council adopted Resolution No. **2019-03-04** approving and authorizing the creation of LakePointe Public Improvement District ("PID" or "District") to finance the costs of certain public improvements for the benefit of property within the District. The City may consider issuing bonds to fund certain improvements in the PID as authorized by the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended. In relation to such, the City will require specialized services related to the revision and updating of the Service and Assessment Plan ("Service and Assessment Plan"), bond issuance, and the administration of the PID.

P3Works has represented the City during the creation of the PID and is highly qualified with the expertise to properly establish and administer the District and ensure compliance with Texas Local Government Code Chapter 372.

**Financial Implication:**

The costs of administration will be budgeted and paid for by the developer and from funds generated by PID assessments in the LakePointe PID. No general fund or utility fund resources will be used to pay for the services.

***Staff Notes:***

Approval is recommended subject to the City Attorney's approval.

**Attachments:** Resolution and Agreement

May 30, 2019

**CITY OF LAVON, TEXAS**  
**RESOLUTION NO. 2019-06-03**

Professional Services Agreement – P3 Works, LLC

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAVON, TEXAS AUTHORIZING THE MAYOR TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH P3 WORKS, LLC FOR THE PROVISION OF PUBLIC IMPROVEMENT DISTRICT ADMINISTRATION AND SERVICE AND ASSESSMENT PLAN CONSULTANT SERVICES FOR THE LAKEPOINTE PUBLIC IMPROVEMENT DISTRICT; AND DECLARING AN EFFECTIVE DATE.**

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAVON, TEXAS, THAT:**

**SECTION 1.** The City Council does hereby authorize the Mayor to execute a Professional Services Agreement with P3 Works, LLC for the provision of public improvement district administration and service and assessment plan consultant services for the Lakepointe Public Improvement District attached hereto as Exhibit “A”.

**SECTION 2.** That this resolution shall take effect from and after the date of its passage.

**DULY PASSED AND APPROVED** by the City Council of the City of Lavon, Texas on the 4<sup>th</sup> day of June 2019.

\_\_\_\_\_  
Vicki Sanson, Mayor

ATTEST:

\_\_\_\_\_  
Kim Dobbs  
City Administrator | City Secretary

**CITY OF LAVON, TEXAS**  
**RESOLUTION NO. 2019-06-03**

**EXHIBIT A**

**PROFESSIONAL SERVICES AGREEMENT**

**AGREEMENT FOR PUBLIC IMPROVEMENT DISTRICT  
ADMINISTRATION SERVICES**

This Agreement for Public Improvement District Administration Services (“Agreement”) is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2019, by and between P3Works, LLC (“P3Works”), and the City of Lavon, Texas (“City”).

**RECITALS**

WHEREAS, the City Council passed Resolution No. 2019-03-04 on March 19, 2019, approving and authorizing the creation of LakePointe Public Improvement District (“PID” or “District”) to finance the costs of certain public improvements for the benefit of property within the District; and

WHEREAS, the City may consider issuing bonds to fund certain improvements in the PID as authorized by the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended; and

WHEREAS, the City requires specialized services related to the revision and updating of the Service and Assessment Plan (“Service and Assessment Plan”), bond issuance, and the administration of the District, as more fully set forth in this Agreement; and

WHEREAS, P3Works has the expertise to properly establish and administer the District and ensure compliance with Texas Local Government Code Chapter 372; and

WHEREAS, the City desires to retain P3Works to provide District administration services;

NOW THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, and for good and valuable consideration, P3Works and the City agree as follows:

**ARTICLE I**

**TERM OF AGREEMENT**

1.0 The Agreement shall be effective as of its approval by all parties and shall be for a period of three (3) years and shall automatically continue on a year to year basis until terminated pursuant to Article IV of this Agreement.

**ARTICLE II**

**SERVICES TO BE PROVIDED BY P3WORKS**

2.0 The scope and timing of services to be performed by P3Works are set forth in Exhibit A, which is attached hereto and incorporated into this Agreement by this reference.

2.1 P3Works agrees that its services pursuant to this Agreement shall at all times be subject to the control and supervision of the City and that nothing in this Agreement shall constitute an assignment of any right or obligation of the City under any applicable contract, agreement, or law. P3Works shall

not represent to any property owner or any other person that it or any of its employees are acting as the City or employees of the City.

2.2 No substantial changes in the scope of services shall be made without the prior written approval of P3Works and the City.

2.3 P3Works shall supply all tools and means necessary to perform the services and production of the work product described in Exhibit A.

### ARTICLE III

#### PAYMENT TERMS AND CONDITIONS

3.0 In consideration for the services to be performed by P3Works, the City agrees to pay P3Works the fees for all services and related costs and expenses set forth in Exhibit A, beginning the first day of the month following the execution of this Agreement. Once assessments have been levied the Monthly Collection Fees will begin, and then the February 1 following the levy of assessments, and each February 1 thereafter, the fees shall increase by 2%.

3.1 Monthly invoices shall be submitted to the City for work completed. City agrees to pay the amount due to P3Works upon receipt of each invoice.

3.2 Copies of all invoices to P3Works for expenses, materials, or services provided to P3Works will accompany the invoice to the City. P3Works will pass any third-party cost through to the City without markup and will not incur any expense in excess of \$200 without prior written consent of the City.

3.3 The only source of payment for P3Works' fees and services shall be the District or funds advanced by the developer. The City general fund shall never be used to pay for any expenses relating to P3Works' administration of the District. In the event there is insufficient District funds in a given year to pay P3Works' fees and expenses, P3Works agrees to defer the fees and expenses until such time as there are sufficient District funds or funds advanced by the developer.

### ARTICLE IV

#### TERMINATION OF THIS AGREEMENT

4.0 Notwithstanding any other provisions of this Agreement, either party may terminate this Agreement at any time by giving sixty (60) days written notice to the other party without penalty and without limitation of its right to seek damages. City shall pay P3Works, within thirty (30) days of such termination, all of P3Works' fees and expenses actually accrued or incurred to and including the date of termination, including any amount incurred or accrued in connection with work in progress.

### ARTICLE V

#### **LIABILITY AND INDEMNIFICATION.**

**5.0 LIABILITY - P3WORKS SHALL BE LIABLE AND RESPONSIBLE FOR ANY AND ALL PROPERTY LOSS, PROPERTY DAMAGE AND/OR PERSONAL INJURY,**

**INCLUDING DEATH, TO ANY AND ALL PERSONS, OF ANY KIND OR CHARACTER, WHETHER REAL OR ASSERTED, TO THE EXTENT CAUSED BY THE NEGLIGENT ACT(S) OR OMISSION(S), MALFEASANCE OR INTENTIONAL MISCONDUCT OF P3WORKS, ITS OFFICERS, AGENTS, SERVANTS OR EMPLOYEES.**

**5.1 GENERAL INDEMNIFICATION - P3WORKS HEREBY COVENANTS AND AGREES TO INDEMNIFY, HOLD HARMLESS AND DEFEND THE CITY, ITS OFFICERS, AGENTS, SERVANTS AND EMPLOYEES, FROM AND AGAINST ANY AND ALL CLAIMS OR LAWSUITS OF ANY KIND OR CHARACTER, WHETHER REAL OR ASSERTED, FOR EITHER PROPERTY DAMAGE OR LOSS (INCLUDING ALLEGED DAMAGE OR LOSS TO P3WORKS'S BUSINESS AND ANY RESULTING LOST PROFITS) AND/OR PERSONAL INJURY, INCLUDING DEATH, TO ANY AND ALL PERSONS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, TO THE EXTENT CAUSED BY THE NEGLIGENT ACTS OR OMISSIONS OR MALFEASANCE OF P3WORKS, ITS OFFICERS, AGENTS, SERVANTS OR EMPLOYEES.**

## **ARTICLE VI**

### **GENERAL PROVISIONS**

6.0 This Agreement supersedes any and all agreements, including the Original PID Administration Agreement, either oral or written, between the parties hereto with respect to rendering of services by P3Works for the City and contains all of the covenants and agreements between the parties with respect to the rendering of such services in any manner whatsoever. Each party of this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party which are not embodied herein and that no other agreement, statement, or promise not contained in this Agreement shall be valid or binding.

6.1 This Agreement shall be administered and interpreted under the laws of the State of Texas. This Agreement shall not be construed for or against any party by reason of who drafted the provisions set forth herein. If any part of this Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null and void insofar as it is in conflict with said laws, but the remainder of this Agreement shall remain in full force and effect.

6.2 It is expressly understood and agreed that P3Works shall operate as an independent consultant as to all rights and privileges granted herein, and not as agent, representative or employee of the City. Subject to and in accordance with the conditions and provisions of this Agreement, P3Works shall have the exclusive right to control the details of its operations and activities and be solely responsible for the acts and omissions of its officers, agents, servants, employees, consultants and subcontractor. P3Works acknowledges that the doctrine of respondeat superior shall not apply as between the City, its officers, agents, servants and employees, and P3Works, its officers, agents, employees, servants, consultants and subcontractor. P3Works further agrees that nothing herein shall be construed as the creation of a partnership or joint enterprise between City and P3Works. Neither P3Works, nor any of P3Works's employees or agents, shall be entitled to any benefits accorded to City's employees, including without limitation worker's compensation, disability insurance, vacation or sick pay.

6.3 Neither this Agreement or any duties or obligations under this Agreement may be assigned by P3Works without the prior written consent of the City.

6.4 The waiver by either party of a breach or violation of any provision of this Agreement will not operate as or be construed to be a waiver of any subsequent breach thereof.

6.5 All records, reports, and other documents prepared by P3Works for the purposes of providing the services described in this Agreement shall be property of the City. All such documents shall be made available to the City during the course of performance of this Agreement. Any reports, studies, photographs, negatives, or other documents or drawings prepared by P3Works in the performance of its obligations under this Agreement shall be the exclusive property of the City and all such materials shall be remitted to the City by P3Works upon completion, termination, or cancellation of this Agreement.

6.6 The City acknowledges P3Works' ownership of its software, programs, inventions, know-how, trade secrets, confidential knowledge, source code, or other proprietary information relating to products, processes, services, software, formulas, developmental or experimental work, business plans, financial information, or other subject matter ("Confidential Information") pertaining to the business of P3Works. This Agreement shall not in any way give rise to any requirement or obligation for P3Works to disclose or release any Confidential Information.

6.7 The headings and article titles of this Agreement are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part hereof.

6.8 Should either party commence any legal action or proceeding against the other based upon this Agreement, the prevailing party shall, to the extent permitted by law, be entitled to an award of reasonable attorney's fees and costs.

6.9 All notices, requests, demands, and other communications which are required to be given under this agreement shall be in writing and shall be deemed to have been duly given upon the delivery by registered or certified mail, return receipt requested, postage prepaid thereon, as follows:

To P3Works:

Mary V. Petty  
Managing Partner  
P3Works, LLC  
350 Rufe Snow Drive  
Suite 200  
Keller, Texas 76248

To City:

Kim Dobbs  
City Administrator  
City of Lavon  
P.O. Box 340  
Lavon, Texas 75166

With a copy to:  
Wm. Andrew Messer  
Messer, Fort & McDonald, PLLC  
6371 Preston Rd., Ste. 200  
Frisco, TX 75034  
Facsimile: 972-668-6414  
Email: andy@txmunicipallaw.com

6.10 The parties hereby warrant that the persons executing this Agreement are authorized to execute this Agreement and are authorized to obligate the respective parties to perform this Agreement. A facsimile signature on this Agreement shall be treated for all purposes as an original signature.

Executed on this \_\_\_\_\_ day of \_\_\_\_\_, 2019:

P3Works, LLC

BY: \_\_\_\_\_  
Mary V. Petty  
Managing Partner

City of Lavon, Texas

BY: \_\_\_\_\_  
Vicki Sanson  
Mayor

**EXHIBIT A**  
**SERVICES TO BE PROVIDED**

**PID FORMATION, SERVICE AND ASSESSMENT PLAN PREPARATION, AND BOND ISSUANCE SUPPORT SERVICES**

*Billed at P3Works' prevailing hourly rates, which are currently as follows:*

<b>Title</b>	<b>Hourly Rate</b>
<i>Managing Partner</i>	<i>\$250</i>
<i>Vice President</i>	<i>\$185</i>
<i>Senior Associate</i>	<i>\$160</i>
<i>Associate</i>	<i>\$135</i>
<i>Administrative</i>	<i>\$100</i>

*\*P3Works' hourly rates may be adjusted from time to time to reflect increased costs of labor and/or adding/reclassifying titles. Travel times will be billed at hourly rates.*

District Due Diligence and Preparation of PID Plan of Finance

1. P3Works will review project information and review the plan of finance for the proposed transaction, including
2. Assessed value schedules, value to lien analysis, and overall structuring to achieve City goals and objectives
3. Identify areas of risk with the City's Financial Advisor, and solutions to mitigate the risks,
4. Bond sizing and bond phasing by improvement area,
5. Sources and uses of funds by improvement area,
6. Debt service schedules, and;
7. Assessment allocation and associated estimated annual installment by lot type for each improvement area.

Preparation of Service and Assessment Plan

1. P3Works will prepare a complete and final Service and Assessment Plan to be adopted by City Council and included in the Official Statement for the Bonds based on the Plan of Finance.
2. P3Works will present the Service and Assessment Plan to City Council and request approval of Assessment Roll.

Bond Issuance Support

1. P3Works will ensure bond documents, including the PID financing agreement, bond indenture, and official statement are all consistent with the Service and Assessment Plan.
2. P3Works will provide ad-hoc analysis as requested by the underwriter in preparation of the preliminary official statement.

Participation in Presentations to City Council or other Public Forums

1. P3Works will prepare and present information as requested to the City Council or any other public forum.

## **BASIC DISTRICT ADMINISTRATION SERVICES**

MONTHLY COLLECTION FEES WILL BEGIN ONCE ASSESSMENTS ARE LEVIED

*If no bonds are sold:*

*Monthly Fee = \$1,500 beginning the first of the month following execution of this Agreement for the first improvement area; and \$1,000 per month for each improvement area thereafter. (Proration will occur for any partial month if not begun on the 1<sup>st</sup> day of the month.)*

*If bonds are sold:*

*Monthly Fee amounts will be \$2,500 for the first improvement area beginning the first month following the issuance of bonds; and \$1,250 per month for each improvement area thereafter.*

*For PIDs that P3Works did not create: Monthly Collection Fees will not begin until the first Annual SAP Update is drafted by P3Works and approved by Council, therefore all work completed to that point will be billed hourly.*

*See Section below related to "Consulting Services Relating to Future Improvement Areas and related Bond Issuance" for hourly fees if bonds are contemplated.*

### Prepare Annual Service and Assessment Plan Update

1. If possible, obtain updated construction cost estimates (or actual costs for completed facilities) for District improvements, and update service and assessment plan text and tables.
2. Update service and assessment plan text and tables as necessary to account for any changes in development plan or land uses.
3. Update annual District assessment roll.
4. Identify parcel subdivisions, conveyance to owners' associations, changes in land use, and any other information relevant to the levy of special assessments.
5. Review maps of tax parcels to compile/audit list of parcels that are within the District for the upcoming bond year. Classify each parcel pursuant to the approved service and assessment plan.
6. Identify any parcels dedicated to any property types classified as exempt by the service and assessment plan.
7. Update District database with newly subdivided parcels and property type classifications.
8. Calculate annual special assessment for each parcel. Verify the sum of annual installments for all parcels in the District is sufficient to meet the annual debt service requirement, administration expenses, and any provisions for delinquency or prepayment reserves.
9. Calculate other funds available, such as reserve fund income, capitalized interest, and interest income. Reduce annual assessment based on findings according to approved service and assessment plan.
10. Present preliminary annual assessment roll to City. Upon approval by City, submit final annual assessment roll to County Tax Collector.

### Administration of Bond Funds (if bonds are sold)

1. Review and reconcile the account statements for the funds maintained by the trustee. Ensure annual special assessment calculation is compliant with Indenture as it relates to each fund.
2. Provide annual summary of all District accounts maintained by Trustee at the time the annual service and assessment plan update is performed.

Provide Public Information Request Support

1. If requested, P3Works will respond to any calls and or emails relating to the District. P3Works will only provide technical answers relating to the annual assessments or the District generally. P3Works will not provide any commentary on City policy relating to PIDs.
2. If the City receives a notice from a property owner alleging an error in the calculation of any matters related to the annual assessment roll for the District, P3Works will review and provide a written response to the City. If a calculation error occurred, P3Works will take corrective action as required to correct the error.

Delinquency Management

1. After the end of the annual assessment installment collection period, P3Works will prepare a delinquent special assessment report, which details which parcels are delinquent and the amount of delinquency.
2. P3Works will notify the City what action must be taken relating to delinquent parcels, if any, to remain in compliance with the District bond documents.

Website Setup

1. Prepare website database searchable by property tax ID for use by property owners, title companies, mortgage companies, or other interested parties. The search results will provide assessment information, including outstanding principal, annual installment amount, payment information, and a breakdown of the assessment installment by use (principal, interest, reserve fund accounts, administrations, etc.)
2. Prepare “District Information” page for website. Information will include a background of the District formation and bond issuance process, District boundary map, and description of improvements. In additions, P3Works will provide a link to District documents.

**DISTRICT ADMINISTRATION SETUP SERVICES**

*\$7,500 One Time Lump Sum Fee*

1. Prepare District Administration Manual
2. P3Works will review the full bond transcript and identify all requirements of the City relating to District administration and/or disclosure requirements.
3. Prepare written summary of all City administration and disclosure requirements.
4. Prepare calendar of all relevant dates and deadlines for District administration and disclosure requirements.
5. Meet with County Assessor’s office to establish procedure for obtaining parcel information for assessment roll.
6. Meet with County Tax Office to establish procedure to include District assessment roll on property tax bill.
7. Meet with City representatives to finalize policies and procedures relating to District Administration.

**ADDITIONAL DISTRICT SERVICES**

*Billed at P3Works' prevailing hourly rates, which are currently as follows:*

<b>Title</b>	<b>Hourly Rate</b>
<i>Managing Partner</i>	<i>\$250</i>
<i>Vice President</i>	<i>\$185</i>
<i>Senior Associate</i>	<i>\$160</i>
<i>Associate</i>	<i>\$135</i>
<i>Administrative</i>	<i>\$100</i>

*\*P3Works' hourly rates may be adjusted from time to time to reflect increased costs of labor and/or adding/reclassifying titles. Travel will be billed at the hourly rates.*

Continuing Disclosure Services

1. P3Works will prepare the form of the annual report as required by the continuing disclosure agreements and work with the City and the Developer to complete.
2. P3Works will request from developer the reports due pursuant to the developer disclosure agreement and disseminate these reports pursuant to the disclosure agreement; including Seller's Disclosures.
3. Upon notification by any responsible party or if P3Works independently becomes aware of such knowledge, P3Works will prepare notices of material events covering the events enumerated in the disclosure agreements.
4. P3Works will coordinate with the Trustee or the City's dissemination agent to disseminate the annual reports, quarterly reports from the developer, and notice of significant events to the Municipal Securities Rulemaking Board (MSRB) and any other parties required in the continuing disclosure agreement.

Developer Payment Request Administration

1. P3Works will review all developer payment requests to ensure the request complies with the PID Financing Agreement, the District service and assessment plan, and any other relevant provisions contained in the District documents.
2. P3Works will audit the developer payment request to ensure there is proper backup documentation and that the accounting is accurate.
3. P3Works will coordinate with the City's designated representative to ensure the improvements were built to the standards of the accepting governing body.
4. P3Works will ensure improvements to be dedicated are free and clear of all liens and encumbrances.

Consulting Services Relating to Future Improvement Areas and related Bond Issuance (to be paid from Developer funds advanced to City)

1. P3Works will update the Service and Assessment Plan to comply with Bond documents.
2. P3Works will prepare an updated Assessment Roll including the future Improvement Area
3. P3Works will coordinate with City's bond counsel, financial advisor, and the bond underwriter to ensure the Bonds and all related documents are in compliance with State Law.
4. P3Works will prepare any additional reports or analyses as needed to successfully issue the Bonds.

Development Agreement Review Specific to the PID Boundary

1. Participate in meetings or calls at City Manager's, or his/her designee, direction.
2. Review and comment on Development Agreement drafts.
3. Prepare Ad hoc analysis as requested.



# CITY OF LAVON CITY COUNCIL Agenda Brief

MEETING: June 4, 2019

ITEM: 8 - G

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**Item:**

Discussion and action regarding Resolution No. **2019-06-04** authorizing the Mayor to execute a professional services agreement with Ideation Planning L.L.C. for professional and strategic planning and engagement services; and providing an effective date.

**Background:**

The City of Lavon Comprehensive Plan was adopted in 2013. As development and growth occur and the regulatory landscape changes, regular updates to the Comprehensive Plan are needed. For the last several months, the Planning and Zoning Commission and Park Board have committed meeting time to working on updating the Comprehensive Plan and it has become apparent that the process would benefit from the guidance of a professional planner.

In evaluating visioning exercises to provide the direction that the City Council has recently discussed, Ideation Planning was recommended to city staff. To provide a fresh look at the vision for the community, Ideation Planning has proposed the development of a new Community Vision Assessment (CVA) as an appendix to the existing Comprehensive Plan. The new Community Vision Assessment will have regulatory standing in the State of Texas by being part of the city's "Comprehensive Plan" and language will be included in the CVA to state that any conflicting maps or recommendations are superseded by the CVA. Additionally, the CVA will provide a condensed strategic plan and set the foundation and direction for the ultimate update of the Comprehensive Plan.

The scope of the project outlines the high amount of community involvement that is anticipated and the CVA will provide critical direction in a relatively short timeframe. References for Ideation Planning have been checked and were overwhelmingly positive.

Samples of recent projects include:

City of Celina Strategic Plan <https://www.celina-tx.gov/1257/Strategic-Plan>

City of Celina Downtown Master Plan <https://www.celina-tx.gov/1240/Downtown-Master-Plan>

City of Heath Park Plan – consulting team: [http://www.heathtx.com/wp-content/uploads/2018/06/City-of-Heath-ParksRec-and-Trail-Plan\\_FOR-WEBSITE\\_06.14.18.pdf](http://www.heathtx.com/wp-content/uploads/2018/06/City-of-Heath-ParksRec-and-Trail-Plan_FOR-WEBSITE_06.14.18.pdf)

**Financial Implication:**

The cost for the service is based on a special fee that the firm is offering to the City of Lavon as a “Small Town” package. Funding for the services is available in the general fund. IA request for financial participation could be submitted to the Economic Development Corporation as the CVA is a qualified project and could be beneficial to economic development efforts, similar to the update of the Zoning Ordinance in 2018.

***Staff Notes:***

Approval is recommended subject to the City Attorney’s approval of the engagement.

**Attachments:**           Resolution and Agreement

May 30, 2019

**CITY OF LAVON, TEXAS**  
**RESOLUTION NO. 2019-06-04**

Professional Services Agreement – Ideation Planning, L.L.C.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAVON, TEXAS AUTHORIZING THE MAYOR TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH IDEATION PLANNING L.L.C. FOR PROFESSIONAL AND STRATEGIC PLANNING AND ENGAGEMENT SERVICES; AND DECLARING AN EFFECTIVE DATE.**

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAVON, TEXAS, THAT:**

**SECTION 1.** The City Council does hereby authorize the Mayor to execute a Professional Services Agreement with Ideation Planning L.L.C. for professional and strategic planning and engagement services; attached hereto as Exhibit “A”.

**SECTION 2.** That this resolution shall take effect from and after the date of its passage.

**DULY PASSED AND APPROVED** by the City Council of the City of Lavon, Texas on the 4<sup>th</sup> day of June 2019.

\_\_\_\_\_  
Vicki Sanson, Mayor

ATTEST:

\_\_\_\_\_  
Kim Dobbs  
City Administrator | City Secretary

**CITY OF LAVON, TEXAS**  
**RESOLUTION NO. 2019-06-04**

**EXHIBIT A**

**PROFESSIONAL SERVICES AGREEMENT**



Office: Southlake Town Square, 180 State Street, Suite 225, Southlake, Texas 76092  
Mailing Address: PO Box 93211, Southlake, Texas 76092  
Phone: 682.738.IDEA(4332)  
Email: [info@ideationplanning.com](mailto:info@ideationplanning.com)  
[www.IdeationPlanning.com](http://www.IdeationPlanning.com)

May 30, 2019

Vicki Sanson  
Mayor  
City of Lavon  
Via Email Delivery to Kim Dobbs: [kim.dobbs@cityoflavon.org](mailto:kim.dobbs@cityoflavon.org)

Subject: Scope of Services – City of Lavon Community Vision Assessment

Dear Ms. Sanson:

I am pleased to submit this proposal to City of Lavon for professional planning services. Ideation Planning, LLC, provides professional and strategic planning consulting, and we are interested in preparing the City of Lavon Community Vision Assessment, per our discussion.

I have provided the following for your review:

- Scope of Services
- Standard Terms and Conditions

The Scope of Services to be performed by Ideation Planning, LLC, under this letter agreement is described in Exhibit “A” below. **Project costs for this Scope will be based on a lump sum of \$15,000 as reflected in Exhibit “A” below.**

All work will be performed in accordance with Ideation Planning, LLC’s attached Standard Terms and Conditions (Exhibit “B” below). To accept this proposal, please sign, date, scan, and email back to me. The work defined herein shall begin after Ideation Planning, LLC receives the signed copy of this letter agreement. This Agreement may be extended upon prior written/emailed approval from City of Lavon.

Please review the enclosed exhibits, and do not hesitate to contact me with any questions or comments at 972-339-8186 or [abra@ideationplanning.com](mailto:abra@ideationplanning.com). I look forward to the opportunity to work with you on this important project.

The undersigned agrees to the Terms and Conditions of this Letter Agreement attached hereto.

Regards,

Abra R. Nusser, AICP  
President & CEO  
Ideation Planning, LLC

City of Lavon  
c/o Vicki Sanson

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_





**Exhibit A**  
**Ideation Planning, LLC**  
**SCOPE OF SERVICES**

PROJECT PURPOSE

The purpose of this Scope of Services is for the City of Lavon to allow Ideation Planning, LLC to provide professional services to prepare a Community Vision Assessment.

**ARTICLE 1**

SERVICES

It is understood and acknowledged by both parties that there will be participation by City Staff on the project including, but not limited to, reviewing an un-designed document of content that will be on each page of the Assessment, prior to final design and packaging. The Consultant shall control deliverables for quality, completeness, and timeliness. Should participation, review, or deliverables by either party be delayed, timelines or budget may need to be adjusted. The Consultant shall be permitted to execute contracts with subcontractors and vendors as necessary and applicable to complete the Scope of Services.

Objectives and tasks to be achieved with this Scope of Services are as follows:

- **Task 1: Introductory City Council Work Session**
  - Prepare for and attend a City Council meeting to introduce the Project, the Consultant Team, the proposed timeline (to include a City Council Kickoff Work Session) and to be available for any questions regarding the Project.
- **Task 2: Online Community Survey**
  - Prepare draft survey to include levels of satisfaction, strategic priority identification, and basic demographic profiles.

*Deliverable: Draft survey in Word or online format.*

- Prepare final online survey based on Client review of draft survey. Survey is intended to be live for three to four weeks.

*Deliverable: Link to online survey to be posted by Client on the homepage of the City website and on City social media.*



*Scope of Services  
City of Lavon Community Vision Assessment*

- Analyze survey and create results document. Identify takeaways for the upcoming planning effort.

*Deliverable: Community Survey Data.*

- **Task 3: City Council/Key Staff Retreat (four-six hours)**

- Create Retreat agenda to be utilized for the half-day event. Anticipated draft topics shall include: introduction and review of community feedback, core values/vision identification activities, and goal ideation activities. Client shall review and comment on the agenda within three business days of delivery from Consultant. Client shall post any required agendas on the City side for anticipated quorum. Date of the Retreat shall be confirmed with Consultant before finalization but must be a minimum of three weeks after the Community Survey is completed.
- Questions, data requests, or items to think about prior to the Retreat may be provided for distribution to Retreat attendees prior to the Retreat.

*Deliverable: City Council and Key Staff Retreat Agenda.*

- Prepare Retreat handouts and materials for the event to correspond with the approved agenda.
- Conduct a half-day City Council and Key Staff Retreat with City Council and key City Staff, which corresponds with the approved agenda, to inform the City of Lavon Community Vision Assessment.

*Deliverable: Documented feedback files (unformatted) from exercises performed at the Retreat.*

- **Task 4: Public Design Studio**

- Prepare Public Design Studio exercises and materials for the event.
- Conduct a Public Design Studio (on a Saturday from 1pm to 5pm). Potential Exercises (will be determined after Survey and Retreat):
  - Visual Preference Station
  - Housing Station
  - Big, Bold Ideas Station

- **Task 5: Analysis and Draft Assessment**

- Analyze the feedback gathered from the Survey, Retreat, and Public Design Studio to identify themes and potential content for the Community Vision Assessment.

*Result: Draft mission statement/25-year goal, core values, goals, and actions.*





*Scope of Services*  
*City of Lavon Community Vision Assessment*

- Prepare the draft Community Vision Assessment with the following pages, generally (each square bullet that follows represents one page):
  - Front Cover
  - Inside Cover
  - Title Page and TOC
  - Letter from the Mayor
  - Community Snapshot
  - Existing Conditions: Natural Systems
  - Existing Conditions: Existing Land Use
    - > (from Appraisal District data)
  - Existing Conditions: Zoning
  - Existing Conditions: Destinations and Facilities
  - Feedback/Analysis: Survey Snapshot
  - Feedback/Analysis: Survey Snapshot
  - Feedback/Analysis: Engagement Day
  - Key Concepts: Housing Preferences and Natural Systems
  - Core Purpose
  - Vision Framework
    - Deeply Passionate/Core Values
    - Economic Engine
    - Best in the World
    - 25-year Goal
  - Goals Intro and List
    - > Goals to be drafted with City Council at the Retreat and refined/approved by the community at Engagement Day.
  - 10 Two-Year Goals: 1 and 2 of 10
  - 10 Two-Year Goals: 3 and 4 of 10
  - 10 Two-Year Goals: 5 and 6 of 10
  - 10 Two-Year Goals: 7 and 8 of 10
  - 10 Two-Year Goals: 9 and 10 of 10
  - Future Land Use Plan (FLUP)
    - > Product will not be at parcel-level detail and will be gradient boundaries for general interpretation.



*Scope of Services*  
*City of Lavon Community Vision Assessment*

- FLUP: Descriptions
- Mobility Framework
  - > Work performed by city planners and not by engineers. No traffic analysis included.
- Mobility Descriptions
- Economic Incentives and Strategies
  - > Work performed by city planners and not by economists. No market analysis included.
- Destinations and City Identity
- Special Places
- Public Services and Facilities
  - > Anticipated future facility needs to be provided by Client.
- Key Takeaways and Priorities
- Inside Back Cover
- Back Cover
  - Prepare the draft Community Vision Assessment for review by key City Staff. Upon review and comment by City Staff, Consultant shall prepare any revisions accordingly.

*Deliverable: Draft Community Vision Assessment, Version 1, in Microsoft Word.*

- Prepare the final Community Vision Assessment for final review by Staff and/or City Council. Upon final review and comment, Consultant shall prepare a single hard copy proof and provide the electronic files for further printing by the City.

*Deliverable: Draft Community Vision Assessment, Version 2, formatted in final layout (minimal graphics), single hard copy proof, and electronic files.*

• **Task 6: Community Vision Assessment Adoption**

- City Council Work Session with Consultant and Staff to Review Draft Assessment and Receive Comments.
- Consultant to Make any Necessary Edits and Deliver PDF Draft Assessment for City Council Packet One Week Prior to City Council Packet Delivery Date.
- Consultant to Prepare PowerPoint Presentation for Public Hearing Process.
- Consultant and Staff to Lead Assessment through Public Hearing Process to Adoption.

*Deliverable: Final Community Vision Assessment, Version 3 (revised if applicable), formatted in final layout (minimal graphics), single hard copy proof (revised if applicable), and electronic files.*



## **ARTICLE 2**

### CLIENT'S RESPONSIBILITIES

- 2.1 The Client agrees to provide the Consultant with information including but not limited to:
  - a. Items requested by the Consultant in order to provide professional services.
- 2.2 The Consultant may rely on the accuracy and completeness of these items and shall not be held responsible for deficiencies or inadequacies of the data.
- 2.3 The Client agrees to provide the items described in Article 2.1 above, and to render decisions in a timely manner, so as not to delay the orderly and sequential progress of the Consultant's services.
- 2.4 The Client agrees to do all marketing, outreach, and social media throughout the process.

## **ARTICLE 3**

### COMPENSATION AND PAYMENTS

- 3.1 The CLIENT agrees to pay the CONSULTANT for the SERVICES listed above, and amount not to exceed:

\$15,000: Fifteen Thousand Dollars and zero cents (the "Contract Fee").
- 3.2 ADDITIONAL SERVICES shall be provided, upon written consent by the Client, on an hourly basis of \$175 per hour, with a mutually agreed "not to exceed" amount.
- 3.3 Reimbursable expenses include, but are not limited to: reproduction of graphics and plans, postage, handling of documents, in-house plotting, courier services, and authorized travel expenses. Reimbursable expenses shall be billed at a rate of 1.1%.
- 3.4 The Consultant shall bill the Client each month based on percentage of services completed during the 30 days prior. All payments are due to Consultant upon receipt of invoice.



**Exhibit B**  
**Ideation Planning, LLC**  
**STANDARD TERMS AND CONDITIONS**

1. SCOPE

Ideation Planning, LLC (hereinafter “Consultant” or Ideation Planning, LLC) agrees to perform the services described in the Scope of Services attached hereto which incorporates these terms and conditions. Unless modified in writing by the parties hereto, the duties of Ideation Planning, LLC shall not be construed to exceed those services specifically set forth in the proposal. These terms and conditions and the proposal, when executed by Client, shall constitute a binding agreement on both parties (hereinafter the “Agreement”).

2. COMPENSATION

Client agrees to pay for the services completed in Article 1 in accordance with the compensation provisions in the proposal. Payment to Ideation Planning, LLC will be made within 30 days after the date of billing. Interest on the unpaid balance will accrue beginning on the 31<sup>st</sup> day at the maximum interest rate permitted by law.

Time-related charges will be made in accordance with the billing rate referenced in the proposal or Agreement. Otherwise, Ideation Planning, LLC’s standard billing rate of \$175 per hour shall apply. In the event any uncontested portions of any invoice are not paid within 30 days of the date of Consultant’s invoice, Consultant shall have the right to suspend Services per Article 12, Suspension of Services.

3. RESPONSIBILITY

*Standard of care.* Ideation Planning, LLC is employed to render a professional service only, and any payments made by Client are compensation solely for such services rendered and recommendations made in carrying out the Services. Ideation Planning, LLC does not expressly or impliedly warrant or guarantee its services.

*Reliance upon information provided by others.* If Ideation Planning, LLC’s performance of services hereunder requires Ideation Planning, LLC to rely on information provided by other parties (excepting Ideation Planning’s Contractors), Ideation Planning, LLC shall not independently verify the validity, completeness or accuracy of such information unless otherwise expressly engaged to do so in writing by the Client.

4. INDEMNIFICATION

Ideation Planning, LLC agrees to indemnify and hold Client harmless from and against any liability to the extent arising out of the negligent acts, errors, or omissions of Ideation Planning,

LLC, its agents, employees, or representatives, in the performance of duties under the Agreement. Regardless of any other term of this Agreement, in no event shall Ideation Planning, LLC be responsible or liable to Client for any incidental, consequential, or other indirect damages.

5. INSURANCE

Ideation Planning, LLC shall maintain during the life of the Agreement the following minimum insurance:

- Automobile bodily injury and property damage liability insurance covering owned or rented cars. The combined single limit for bodily injury and property damage shall be not less than \$1,000,000.
- Professional liability insurance with limits of not less than \$1,000,000.
- General liability insurance with limits of not less than \$1,000,000.

Upon request, a certificate of insurance will be provided to Client with a 30-day written notice in the event the above policies are cancelled.

6. ASSIGNMENT

If the authorized Scope of Services includes construction activities or the oversight of construction, Ideation Planning, LLC may, at its discretion and upon notice to Client, assign all of its contractual rights and obligations with respect to such activities or services to a registered engineering affiliate.

If the authorized Scope of Services requires professional services to be performed in a jurisdiction in which Ideation Planning, LLC renders professional services solely through a locally registered engineering affiliate for purposes of compliance with professional licensing requirements in that jurisdiction, Ideation Planning, LLC may, in its discretion, upon notice to Client, assign its contractual rights and obligations with respect to such services to such locally registered engineering affiliate.

7. INTEGRATION

These terms and conditions and the proposal to which they are attached represent the entire understanding of Client and Ideation Planning, LLC as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered herein. The Agreement may not be modified or altered except in writing signed by both parties, provided further that any terms and conditions in any



client authorization or purchase order issued in connection or under the Agreement which are inconsistent with the Agreement are hereby superseded and shall be of no force and effect.

#### 8. CHOICE OF LAW/JURISDICTION

This Agreement shall be administered and interpreted under the laws of the state in which the Ideation Planning, LLC office responsible for the project is located. Jurisdiction of litigation arising from the Agreement shall be in that state.

#### 9. SEVERABILITY

If any part of the Agreement is found unenforceable under applicable laws, such part shall be inoperative, null and void insofar as it is in conflict with said laws, but the remainder of the Agreement shall be in full force and effect.

#### 10. FORCE MAJEURE

Ideation Planning, LLC shall not be responsible for delays in performing the Scope of Services that may result from causes beyond the reasonable control or contemplation of Ideation Planning, LLC. Ideation Planning, LLC will take reasonable steps to mitigate the impact of any force majeure.

#### 11. NO BENEFIT FOR THIRD PARTIES

The services to be performed by Ideation Planning, LLC hereunder are intended solely for the benefit of Client, and no right nor benefit is conferred on, nor any contractual relationship intended or established with any person or entity not a party to this Agreement. No such person or entity shall be entitled to rely on Ideation Planning, LLC's performance of its services hereunder.

#### 12. WORK PRODUCT

Ideation Planning, LLC and Client recognize that Ideation Planning, LLC's work product submitted in performance of this Agreement is intended only for the Client's benefit and use. Change, alteration, or reuse on another project by Client shall be at Client's sole risk, and Ideation Planning, LLC shall have no liability for changes, alterations, or reuse on another project. To the extent allowed by law, Client shall hold harmless, release, and indemnify Ideation Planning, LLC against all losses, damages, costs, and expense, including attorneys' fees, arising out of or related to any such unauthorized change, alteration, or reuse.

#### 13. SUSPENSION OF SERVICES

Services under this Agreement may be suspended as follows:

1. By Client. By written notice to Ideation Planning, LLC, Client may suspend all or a portion of the

Services under this Agreement if unforeseen circumstances beyond Client's control make normal progress of the Services impracticable. Ideation Planning, LLC shall be compensated for its reasonable expenses resulting from such suspension including mobilization and demobilization. If suspension is greater than 30 days, then Ideation Planning, LLC shall have the right to terminate this Agreement in accordance with Article 14, Termination of Services.

2. By Ideation Planning, LLC. By written notice to Client, Ideation Planning, LLC may suspend the Services if Ideation Planning, LLC reasonably determines that working conditions at the Site or on the Project (outside Ideation Planning, LLC's control) are unsafe, or in violation of applicable laws, or in the event Client has not made timely payment in accordance with Article 2, Compensation, or for other circumstances not caused by Ideation Planning, LLC that are interfering with the normal progress or the Services. Ideation Planning, LLC's suspension of Services hereunder shall be without prejudice to any other remedy of Ideation Planning, LLC at law or equity.

#### 14. TERMINATION OF SERVICES

This Agreement may be terminated as follows:

1. By Client. (a) for its convenience on 30 days' written notice to Ideation Planning, LLC, or (b) for cause, if Ideation Planning, LLC materially breaches this Agreement through no fault of Client and Ideation Planning, LLC neither cures such material breach nor makes reasonable progress toward cure within 15 days after Client has given written notice of the alleged breach to Ideation Planning, LLC, or (c) by mutual agreement and consent of both Consultant and Client.
2. By Ideation Planning, LLC. (a) for cause, if Client materially breaches this Agreement through no fault of Ideation Planning, LLC and Client neither cures such material breach nor makes reasonable progress toward cure within 15 days after Ideation Planning, LLC has given written notice of the alleged breach to Client, or (b) upon five days' notice if Services under this Agreement have been suspended by either Client or Ideation Planning, LLC in the aggregate for more than 30 days, or (c) by mutual agreement and consent of both Consultant and Client.



*Scope of Services*  
*City of Lavon Community Vision Assessment*

3. **Payment upon Termination.** In the event of termination, Ideation Planning, LLC shall perform such additional Services as is reasonably necessary for the orderly closings of the Services. Ideation Planning, LLC shall be compensated for all Services performed prior to the effective date of termination, plus Services required for the orderly closing of the Services.

15. NOTICES

All notices required under this Agreement shall be by personal delivery, email, or mail to the Ideation Planning, LLC Project Manager and to the person signing the proposal on behalf of the Client, and shall be effective upon delivery to the email address stated in the proposal, when confirmed via custom email (not read receipt) or via Certified Mail.





## CITY OF LAVON CITY COUNCIL Agenda Brief

**MEETING: June 4, 2019**

**ITEM: 8 - H**

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**Item:**

Discussion and action regarding Ordinance No. 2019-06-03 amending the Fee Schedule in Appendix A of the Code of Ordinances of the City of Lavon, Texas as adopted by Ordinance No. 2018-09-04 and amended; providing savings, repealing, and severability clauses; and providing an effective date

**Background:**

Texas H.B.852 was signed by the governor on May 21,2019 and became effective immediately. Specifically, H.B. 852 bill provides that: (1) in determining the amount of a building permit or inspection fee required in connection with the construction or improvement of a residential dwelling, a city may not consider: (a) the value of the dwelling; or (b) the cost of constructing or improving the dwelling; and (2) a city may not require the disclosure of information related to the value of or cost of constructing or improving a residential dwelling as a condition of obtaining a building permit except as required by the Federal Emergency Management Agency for participation in the National Flood Insurance Program.

Many cities, Lavon included, currently base their building permit fees on the cost of a proposed structure or improvement. Since the effective date of the new legislation, the City has not charged any permit or inspection fees based on the current fee schedule.

No grace period applies and it has been recommended that affected cities should change their system as soon as possible. Options include square footage-based fees, a flat fee schedule, or any other non-cost-based and reasonable calculation.

The proposed fee schedule changes the method of calculation from value-based to a per square footage calculation for permit and inspection fees for residential dwellings. At this time, no changes are proposed to the fee schedule for non-residential dwellings including but not limited to accessory uses or commercial buildings.

**Financial Implication:**

The staff has evaluated the costs associated with the service delivery and calculated a square footage rate that is anticipated to track to the cost of the service. The fee may require re-evaluation in the near future to assess its effectiveness. Because there are a limited number of

available lots for new home construction, the impact of the change may not be evident until such time that new lots come on line.

***Staff Notes:***

Approval is recommended.

- Attachments:**
- 1) Proposed Ordinance including Fee Schedule
  - 2) H.B. 852

May 31, 2019

**CITY OF LAVON, TEXAS**  
**ORDINANCE NO. 2019-06-03**

Amend Fee Schedule for Residential Dwelling Building Permit Fees

**AN ORDINANCE OF THE CITY OF LAVON, TEXAS AMENDING THE FEE SCHEDULE IN APPENDIX A OF THE OF THE CODE OF ORDINANCES OF THE CITY OF LAVON, TEXAS AS ADOPTED BY ORDINANCE NO. 2018-09-04 AND AMENDED; PROVIDING SAVINGS, REPEALING, AND SEVERABILITY CLAUSES; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City Council of the City of Lavon, Texas (the "City Council") has previously adopted a comprehensive Fee Schedule via Ordinance No. 2018-09-04 adopted on September 18, 2018, and codified in Appendix A, Fee Schedule, of the Code of Ordinances of the City of Lavon, Texas (the "City"); and

**WHEREAS**, the City's Fee Schedule must to be updated in response to Texas HB 852 that regulates the determination of building permit and inspection fees as they relate to residential dwellings; and

**WHEREAS**, the City Council finds and determines it is prudent, and in the City's best interest of the City to amend the Fee Schedule as indicated below.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAVON, TEXAS:**

**Section 1. Findings Incorporated.** That all of the above premises are found to be true and correct and are incorporated into the body of this ordinance as if copied in their entirety.

**Section 2. Amendments.** Appendix A, "Fee Schedule" of the Code of Ordinances of the City of Lavon, Texas, is hereby amended as shown on Exhibit A attached hereto.

**Section 3. Severability.** Should any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. Lavon hereby declares that it would have passed this Ordinance, and each section, subsection, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional or invalid.

**Section 4. Savings/Repealing Clause.** All provisions of any ordinance in conflict with this Ordinance are hereby repealed to the extent they are in conflict; but such repeal shall not abate any pending prosecution for violation of the repealed ordinance, nor shall the repeal prevent a prosecution from being commenced for any

violation if occurring prior to the repeal of the ordinance. Any remaining portions of said ordinances shall remain in full force and effect.

**Section 5. Effective Date.** That this ordinance shall take effect from and after its date of passage.

**Section 6. Open Meetings.** That it is hereby found and determined that the meeting at which this Ordinance was passed was open to the public as required by law, and that public notice of the time, place, and purpose of said meeting was given, all as required by Article 551.041, Texas Government Code

**PASSED AND APPROVED** by the City Council of the City of Lavon, Texas this the 4<sup>th</sup> day of June 2019.

\_\_\_\_\_  
Vicki Sanson, Mayor

ATTEST:

\_\_\_\_\_  
Kim Dobbs, City Administrator / City Secretary

**ORDINANCE NO. 2019-06-03**

**EXHIBIT A – Fee Schedule**

**CITY OF LAVON  
APPROVED FEE SCHEDULE  
BUILDING PERMIT AND INSPECTION FEES  
FISCAL YEAR 2018-19**

adopted 9/18/2018, amended 05/21/2019

ITEM	CURRENT FEE	PROPOSED FEE
<b>BUILDING PERMIT &amp; INSPECTION SERVICES</b>		
<b>Building Value Table per ICC Building Valuation Data (BVT)</b>		
\$1.00 - \$5,000.00	\$200.00	\$200.00
\$5,000.01 - \$25,000.00	\$200.00 for 1st \$5,000 & \$14.00 for each add. \$1,000	\$200.00 for 1st \$5,000 & \$14.00 for each add. \$1,000
\$25,000.01 - \$50,000.00	\$440.00 for 1st \$2,500 & \$10.10 for each add. \$1,000	\$440.00 for 1st \$2,500 & \$10.10 for each add. \$1,000
\$50,000.01 - \$100,000.00	\$652.50 for 1st \$50,000 & \$7.00 for each add. \$1,000	\$652.50 for 1st \$50,000 & \$7.00 for each add. \$1,000
\$100,000.01 - \$500,000.00	\$944.00 for 1st \$100,000 & \$5.60 for each add. \$1,000	\$944.00 for 1st \$100,000 & \$5.60 for each add. \$1,000
\$500,000.01 - \$1,000,000.00	\$3,234 for 1st \$500,000 & \$4.75 for each add. \$1,000	\$3,234 for 1st \$500,000 & \$4.75 for each add. \$1,000
\$1,000,000.01 and up	\$5,608 for 1st \$1,000,000 & \$3.65 for each add. \$1,000	\$5,608 for 1st \$1,000,000 & \$3.65 for each add. \$1,000
<b>RESIDENTIAL</b>		
Residential Building Permit	Per BVT	\$1.03/square foot under roof
Inspection Outside Normal Business Hours	\$75.00/hour	\$75.00/hour
Outside Review	Cost of review	Cost of review
Second and subsequent Plan Review	\$75.00/hour	\$75.00/hour
Plan Substitution	per case	per case
Reinspection	\$75.00/hour	\$75.00/hour
Shell Only Building under 150 sq. ft.	\$150.00	\$150.00
Shell Only Building (150 sq. ft. or larger) - <i>not attached to a residential dwelling</i>	80% of BVT	80% of BVT
Remodel - Residential Dwelling	BVT	\$1.03/square foot under roof
Certificate of Occupancy - Residential	\$50.00	\$50.00
Temporary CO - Residential	\$50.00	\$50.00
Inspection for which no fee is listed	\$75.00/hour	\$75.00/hour
<b>COMMERCIAL</b>		
Commercial Building Permit	Per BVT	Per BVT
Shell Only Building under 150 sq. ft.	\$200.00	\$200.00
Remodel - Commercial	BVT	BVT
Temporary CO - Commercial	\$100.00	\$100.00
Certificate of Occupancy - Commercial	\$100.00	\$100.00
Exterior Lighting Structures	\$50.00/structure	\$50.00/structure
Finish Out - Commercial; separate permit for each	\$350 plus 20% of BVT	\$350 plus 20% of BVT
Parking Lots	\$200.00 / 10,000 sq. ft.	\$200.00 / 10,000 sq. ft.
<b>FENCES</b>		
Fence (new or replacement) - First 100 feet	\$50.00	\$50.00
Fence (new or replacement) over 100 feet	\$0.50/lin foot over 100	\$0.50/lin foot over 100
Fence Repair	No Fee	No Fee
<b>SIGNS</b>		
Signs	\$125.00	\$125.00
Signs (electrical)	\$250.00	\$250.00
Sign (temporary)	\$50.00	\$50.00
<b>GENERAL</b>		
Working without Permit - Investigation Fee	Cost of review	Cost of review
Prebuilt under 100 sq ft	\$50.00	\$50.00
Building Demolition	\$75.00	\$75.00
Annual Contractor Registration	\$50.00	\$50.00
Annual - Electrical	\$75.00	\$75.00
Flatwork	\$100.00	\$100.00
Mechanical	\$75.00	\$75.00
Moving a building	\$100 + any inspection	\$100 + any inspection
Plumbing	\$75.00	\$75.00
Repair of Facilities	Calculated	Calculated
Remodel	BVT	<i>distinguish for Residential and Commercial</i>
Retaining Wall	\$200.00 + cost	\$200.00 + cost
Right of Way Excavation / Work Permit unless other superceding agreement is in place	\$50.00 + cost	\$50.00 + cost
Roofing w/deck replacement	\$100.00	\$100.00
Roofing w/out deck replacement	No fee	No fee
<b>POOLS, SPAS, IRRIGATION</b>		
Above Ground Pool - Seasonal	\$1.00	\$1.00
Above Ground Pool	\$50.00	\$50.00
In-Ground Swimming Pool	\$400.00	\$400.00
Spa	\$100.00	\$100.00
OSSF modification and review	\$200.00	\$200.00
Sprinkler System	\$150.00	\$150.00

AN ACT

relating to information a municipality may consider in determining the amount of certain building permit and inspection fees.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter Z, Chapter 214, Local Government Code, is amended by adding Section 214.907 to read as follows:

Sec. 214.907. PROHIBITION ON CERTAIN VALUE-BASED BUILDING PERMIT AND INSPECTION FEES. (a) In determining the amount of a building permit or inspection fee required in connection with the construction or improvement of a residential dwelling, a municipality may not consider:

- (1) the value of the dwelling; or
- (2) the cost of constructing or improving the

dwelling.

(b) A municipality may not require the disclosure of information related to the value of or cost of constructing or improving a residential dwelling as a condition of obtaining a building permit except as required by the Federal Emergency Management Agency for participation in the National Flood Insurance Program.

SECTION 2. Section 214.907(a), Local Government Code, as added by this Act, applies only to a building permit or inspection fee assessed by a municipality on or after the effective date of this Act in connection with the construction or improvement of a residential dwelling.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2019.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I certify that H.B. No. 852 was passed by the House on April 16, 2019, by the following vote: Yeas 126, Nays 9, 2 present, not voting.

\_\_\_\_\_  
Chief Clerk of the House

I certify that H.B. No. 852 was passed by the Senate on May 8, 2019, by the following vote: Yeas 29, Nays 2.

\_\_\_\_\_  
Secretary of the Senate

APPROVED: \_\_\_\_\_  
Date

\_\_\_\_\_  
Governor





**CITY OF LAVON  
CITY COUNCIL  
Agenda Brief**

**MEETING: June 4, 2019**

**ITEM: 8 - I**

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**Item:**

Discussion and action regarding Ordinance No. **2019-06-04** amending Chapter 12, “Utilities”, Article 12.03, “Sewer Service”, to amend the Rules, Regulations, and Procedures for Sewer Services provided by the City of Lavon; providing a penalty clause; providing for severability, savings and repealing clauses; and providing for an effective date of the ordinance.

**Background:**

In preparing an ordinance to provide for the pro rata collection of infrastructure fees, the city attorney noted and recommended that the rules, regulations and procedures as they relate to the sewer system and services of the system be updated and clarified.

The city attorney prepared the proposed ordinance to accomplish. There are no new fees proposed and no change to the current system operations.

No rates are being created or increased with the adoption of this ordinance.

**Financial Implication:**

There are none.

***Staff Notes:***

Approval is recommended.

**Attachments:** Proposed Ordinance

May 31, 2019

**CITY OF LAVON, TEXAS  
ORDINANCE NO. 2019-06-04**

Sewer Service

**AN ORDINANCE OF THE CITY OF LAVON, TEXAS, AMENDING CHAPTER 12, "UTILITIES", ARTICLE 12.03, "SEWER SERVICE", TO AMEND THE RULES, REGULATIONS, AND PROCEDURES FOR SEWER SERVICES PROVIDED BY THE CITY OF LAVON; PROVIDING A PENALTY CLAUSE; PROVIDING FOR SEVERABILITY, SAVINGS AND REPEALING CLAUSES; AND PROVIDING FOR AN EFFECTIVE DATE OF THE ORDINANCE.**

**WHEREAS**, the City of Lavon, Texas owns and operates its municipal wastewater collection and treatment facilities (hereinafter, the "system"); and

**WHEREAS**, on November 17, 2009, the City Council of the City of Lavon, Texas (the "City Council") adopted Ordinance No. 2009-11-03, as amended by Ordinance No. 2010-02-01 adopted February 16, 2010, and as amended by Ordinance No. 2014-06-04 adopted June 3, 2014, that set the construction, operation extension, and regulation of the system and system services; and

**WHEREAS**, the City Council previously adopted a comprehensive Fee Schedule, as amended by Ordinance No. 2017-02-03 adopted February 7, 2017, Ordinance No. 2017-03-01 adopted March 7, 2017, Ordinance No. 2017-09-07 adopted September 19, 2017, and Ordinance No. 2018-04-01 adopted April 17, 2018, that found that the wastewater rates were fair, just, and reasonable and that the services were adequate and efficient, and remain to be as of the adoption of this Ordinance; and

**WHEREAS**, the City Council has reviewed the amendments herein and finds and determines that the adoption of this Ordinance is in the best interest of the City and its citizens to clarify the rules, regulations and procedures for providing sewer service; and

**WHEREAS**, the City Council further finds and determines that the amendments imposed by this Ordinance are characterized as reasonable, necessary, and proper for the good government of the City and for the protection of the public health, safety and welfare of its citizens.

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAVON, TEXAS:**

**SECTION 1. RECITALS:**

The City Council hereby finds that the statements set forth in the recitals of this Ordinance are true and correct, and the City Council hereby incorporates such recitals as part of this Ordinance.

## **SECTION 2. AMENDMENT:**

Chapter 12, "Utilities", Article 12.03, "Sewer Service" of the Code of Ordinances of the City of Lavon, Texas is hereby amended entirely as follows:

### **ARTICLE 12.03. SEWER SERVICE**

#### **Sec. 12.03.001 Penalty**

Any person, firm or corporation who violates, disobeys, omits, neglects or refuses to comply with or who resists the enforcement of any of the provisions of this article shall be fined not more than five hundred dollars (\$500.00) for each offense. Each day that a violation is permitted to exist shall constitute a separate offense.

#### **Sec. 12.03.002 Mandatory connection to city sewer system**

(a) Connection required. The owners of all buildings, homes or other structures designed for human occupancy for residential, commercial or industrial purposes within the city, which structures are situated in any part of the city where a sanitary sewer presently exists or may hereafter exist, and where the property line of the land upon which any such building, home, or structure is situated extends to within 100 feet of any city sewer line that presently or may hereafter exist, shall be and are hereby required to construct or cause to be constructed a sanitary water closet or closets within each such structure and to connect or cause to be connected such sanitary water closet or closets with the city sewer system.

(b) Exception. An exception to subsection (a) of this section shall be an on-site sewage facility that complies with the rules adopted in section 12.04.004, On-site Sewage Facilities, of this chapter.

#### **Sec. 12.03.003 General regulations**

(a) Free service prohibited. No free sewer service will be permitted.

(b) Sewer Taps. The city shall charge the customer a reasonable fee for providing service from the city's system to the customer's property line. Placement and location of the sewer tap lines shall be at the discretion of the city. The tap fee shall be paid by the customer prior to commencement of service.

(c) Sewer system shall be operated on metered basis.

(d) Dual connections prohibited. Dual connections (more than one user on a single meter) shall be prohibited.

#### **Sec. 12.03.004 Residential rates**

Residential sewer rates are provided in appendix A, as amended, to this code.

**Sec. 12.03.005 Computation of fee for commercial customers**

(a) New and current commercial sewer customers shall sign a waiver granting the city permission to obtain their previous months' water usage from Bear Creek Special Utility District. The fee will then be computed based on actual usage and the living unit equivalence.

(b) If a commercial customer fails to provide the city with this waiver, the monthly bill will be as set forth in the fee schedule in appendix A, as amended, of this code until the waiver is issued.

**Sec. 12.03.006 Sewer Tap fees**

Residential and commercial tap fees are provided in appendix A, as amended, to this code.

**Sec. 12.03.007 Delinquent accounts**

(a) Billing date. All sanitary sewer bills go out on or about the 20th of every month.

(b) Due date. Payments for sanitary sewer service are due on the 10th day of the month following the billing date above (subsection (a)). Payments not received by the 10th day of the month are considered past due. Should the 10th fall on a weekend or holiday a grace period will be granted until the next business day.

(c) Past due penalty. All fees associated with this can be found in the fee schedule in appendix A, as amended, of this code.

(d) Notices.

(1) Any delinquent sanitary sewer service account outstanding by the due date of the month following the billing cycle shall receive a disconnect notice as a part of their next bill.

(2) Customers that have arrears on their bills will receive a disconnection notice. This notice will include a date that services will be disconnected. Red door hangers will be put on all customer doors to be disconnected the Thursday prior to the disconnection date. Should the Thursday prior to disconnection fall on a holiday it will be the first business day prior to that holiday.

(3) At the time of disconnection the city employee who is disconnecting the service will affix a notice to the front door of the residence or business, which shall read, "WARNING - Sanitary Sewer Service has been disconnected from this residence or business and it is unlawful to use sanitary sewer system at this location

or remove this notice until sanitary sewer service is lawfully reconnected”, or similar wording that conveys the same information.

(e) Disconnection of service.

(1) Any sanitary sewer service account for which full payment has not been received or suitable arrangements have been made by 9 a.m. on the disconnect date may be disconnected by the city.

(2) The city may disconnect services by any means appropriate, including cutting, blocking, stopping or removing the sanitary sewer service line.

(3) No sanitary sewer service will be reconnected until all unpaid utility bills, reconnection fees and other fees are paid in full to the city.

(f) Fees. The city will assess fees on delinquent accounts as appropriate. All fees associated with this can be found in the fee schedule in appendix A, as amended, of this code.

(g) Extreme hardship cases. Except as provided below, the city will not terminate sewer service to a delinquent residential customer permanently residing in an individually metered dwelling unit, when the customer establishes to the city that discontinuance of service will result in some person at that residence becoming seriously ill or more seriously ill. To avoid disconnection under these circumstances, the customer must provide a written statement from a physician to the city prior to the stated date of disconnection. The city shall be solely responsible for determining whether a customer meets the requirements of this subsection. Sewer service may be disconnected with additional notice if the customer's next monthly sewer bill and the past due bill are not paid by the due date of the next monthly sanitary sewer bill.

(h) Deferred payment plan. A deferred payment plan is an agreement between a delinquent customer and the city, which will allow delinquent customer to pay off previous unpaid utility bills, other city fees and the current monthly bill in equal payments over no more than four months. The payment amount will include the delinquent amount divided by four or less months plus the current month's bill. There shall be a written agreement required in order to execute a deferred payment plan. The following items will be required in the written agreement:

(1) Provides up to but not more than four months to pay all delinquent amounts, in equal or as near equal as possible monthly payments;

(2) Includes a deferred payment fee;

(3) Provides that, in the event of any default of the deferred payment plan, services shall be terminated without further notice.

- (i) Additional rules; closed accounts.
  - (1) The city may develop forms and rules that are consistent with the purposes stated herein.
  - (2) The city has the authority to plug all residential sanitary sewer accounts that have been closed. These accounts will be unplugged with no additional fees at such time as a new resident comes into city hall, signs up for service and pays their administration fees.
  - (j) Returned check fee. If any customer pays for sanitary sewer services with a check that is dishonored for any reason, there is hereby assessed a returned check fee, plus the amount of any charges imposed on the city by the bank or banks that handled the check. All fees associated with this can be found in the fee schedule in appendix A, as amended, of this code.
- (j) Offenses; tampering with sewage works.
  - (1) It shall be unlawful for an unauthorized person to damage, break, destroy, uncover, deface or tamper with any structure, locks, plugs, appurtenance or equipment which is a part of the sewage works.
  - (2) It shall be unlawful for any person to use or allow to be used any sanitary sewer system which is currently disconnected under this section.
  - (3) It shall be unlawful to remove any notice of disconnection while the sanitary sewer service is disconnected.
- (k) Lien for unpaid charges.
  - (1) Pursuant to chapter 552 of the Texas Local Government Code, there is hereby imposed a lien on each property that is served by the city's sanitary sewer system to secure the payment of delinquent municipal utility accounts. This lien does not attach to property that is a homestead protected by the state constitution, nor does it secure the payment of any municipal utility bills that were incurred by a tenant of the property prior to the effective date of this section.
  - (2) The city administrator and city attorney shall perfect the city's lien procedures.

### **SECTION 3. SAVINGS/REPEALING CLAUSE:**

All provisions of any ordinance in conflict with this Ordinance are hereby repealed to the extent they are in conflict; but such repeal shall not abate any pending prosecution for violation of the repealed ordinance, nor shall the repeal prevent a prosecution from being commenced for any violation if occurring prior to the repeal of the ordinance. Any remaining portions of said ordinances shall remain in full force and effect.

**SECTION 4. SEVERABILITY:**

Should any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. Lavon hereby declares that it would have passed this Ordinance, and each section, subsection, sentence, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences clauses and phrases be declared unconstitutional or invalid.

**SECTION 5. EFFECTIVE DATE:**

This Ordinance shall become effective immediately upon its adoption and its publication as required by law.

**SECTION 6. OPEN MEETINGS:**

That it is hereby found and determined that the meeting at which this Ordinance was passed was open to the public as required by law, and that public notice of the time, place, and purpose of said meeting was given, all as required by Article 551.041, Texas Government Code.

**PASSED AND APPROVED** by the City Council of the City of Lavon, Texas this 4<sup>th</sup> day of June 2019.

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Vicki Sanson, Mayor

ATTEST:

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Kim Dobbs  
City Administrator/ City Secretary





## CITY OF LAVON CITY COUNCIL Agenda Brief

MEETING: June 4, 2019

ITEM: 8 - J

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**Item:**

Discussion and action regarding Ordinance No. 2019-06-05 Amending Chapter 12, “Utilities”, by adding Article 12.07 to be entitled “Pro Rata Fees, Extension Of Facilities And Sewer Connection Fees”, to adopt Rules, Regulations, Procedures, Rates And Fees For Wastewater Utility Services Provided by the City of Lavon, including the adoption of pro rata fees and the subsequent reimbursement to developers for their pro rata share; providing for severability, savings and repealing clauses; and providing for an effective date.

**Background:**

To clarify and provide a framework for the appropriate allocation of the cost of public infrastructure installation, the City Attorney has prepared the proposed ordinance. The state law and legal cases establish that a developer is required to provide at minimum adequate public infrastructure to serve their project. While this seems fair, it does not consistently serve the best interests of the city, surrounding property owners, (including existing residences) and future development and it does not generally make good economic sense for the construction of an overall system. Pro rata fees are commonly used to construct infrastructure systems.

The proposed ordinance provides a process where a facility or system can be oversized to accommodate the interests of the city system and future development. The party that constructs the infrastructure may request that the City collect and remit to them pro rata fees in accordance with the ordinance.

**Simple Example:** Developer A needs a sewer line to serve their development that will travel across two undeveloped parcels, Parcel B and C, to make the connection. The cost of the line to serve Developer A costs less than the oversized line to serve Parcels B and C. While Developer A is constructing the line, an engineering analysis will likely indicate that it makes the most sense to size the line to serve future development of Parcels B and C as opposed to coming in two more times to construct lines that individually cost more to construct and maintain.

In this example, if the City is not willing or able to fund the extra cost of the oversize at the time that Developer A wants the line, the developer and city can agree that Developer A will fund the entire cost of the line and the city will collect proportionate pro rata fees from future development and remit them to the developer.

If development were never to occur on Parcels B or C, then Developer A would not recover their costs. The City is not obligated to pay the difference. This is a calculated risk that Developer A assumes to take advantage of timing.

**Financial Implication:**

There are no specific financial implications for the city.

***Staff Notes:***

Approval is recommended.

**Attachments:** Proposed Ordinance

May 31, 2019

**CITY OF LAVON, TEXAS  
ORDINANCE NO. 2019-06-05**

Pro Rata Fees; Sewer Main Extensions

**AN ORDINANCE OF THE CITY OF LAVON, TEXAS, AMENDING CHAPTER 12, "UTILITIES", BY ADDING ARTICLE 12.07 TO BE ENTITLED "PRO RATA FEES, EXTENSION OF FACILITIES AND SEWER CONNECTION FEES", TO ADOPT RULES, REGULATIONS, PROCEDURES, RATES AND FEES FOR WASTEWATER UTILITY SERVICES PROVIDED BY THE CITY OF LAVON, INCLUDING THE ADOPTION OF PRO RATA FEES AND THE SUBSEQUENT REIMBURSEMENT TO DEVELOPERS FOR THEIR PRO RATA SHARE; PROVIDING FOR SEVERABILITY, SAVINGS AND REPEALING CLAUSES; AND PROVIDING FOR AN EFFECTIVE DATE OF THE ORDINANCE.**

**WHEREAS**, the City Council has reviewed and approved the procedure for Pro Rata Fees and extension of wastewater facilities.

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAVON, TEXAS:**

**SECTION 1. RECITALS:**

The City Council hereby finds that the statements set forth in the recitals of this Ordinance are true and correct, and the City Council hereby incorporates such recitals as part of this Ordinance.

**SECTION 2. AMENDMENT:**

The Code of Ordinances of the City of Lavon, Texas is hereby amended by the addition of Article 12.07, to be entitled "Pro Rata Fees, Extension of Facilities and Sewer Connection Fees" to read entirely as follows:

**ARTICLE 12.07. PRO RATA FEES, EXTENSION OF FACILITIES AND  
SEWER CONNECTION FEES**

**DIVISION 1. GENERAL PROVISIONS**

**Section 12.07.001 Definitions.**

For the purposes of this article the following words, terms and phrases shall have the meaning given herein.

*City* means the City of Lavon, Texas.

*Consumer* means the residents and/or businesses utilizing and paying the city for wastewater services.

*Developer* means the person, business, partnership, corporation or association responsible for the development of a subdivision or lot and includes the property owner or subdivider.

*Development* means any man-made change to improved or unimproved real estate, including but not limited to construction of buildings or other structures, which results in demand for wastewater facilities and which requires connection to the city's wastewater system.

*General design standards* means the design specifications designated by the City of Lavon as standards for construction on all public infrastructure constructed in the city including the City of Lavon Standard Construction Details and NCTCOG "Standard Specifications for Public Works Construction".

*Lot* means a tract, plot or portion of a subdivision, addition or other parcel of land intended as a unit for the purpose, whether immediate or future, of transfer of ownership or possession, or for development.

*Oversize main* means a wastewater main required to interconnect property being developed with the existing wastewater system which exceeds the standard size pipeline required for the developed property.

*Pro rata* means a charge made against an existing lot abutting a wastewater main that is the average per foot cost of the line, multiplied by the front footage of the land, and that is imposed to reimburse the original developer his cost of installing or paying for the main. means a charge made to a lot or tract requesting sanitary sewer service in an existing wastewater main that is a proportional amount of the actual costs of construction of said wastewater main that is payable to the original developer that funded said wastewater main.

*Proportional amount* means the portion, in percent, of the wastewater main Total Design Capacity utilized by the development requesting sanitary sewer service.

*Property owner* means the record titleholder of a premises connected to the city's wastewater system.

*Subdivider* has the meaning given that term in the city's subdivision regulations.

*Subdivision* has the meaning given that term in the city's subdivision regulations.

*Total Design Capacity* means the total amount of anticipated wastewater to be conveyed by a wastewater main (pressure or non-pressure) used in design of said wastewater main. This is used in determination of proportional amount.

*Total Pipe Capacity* means the calculated capacity of a pipeline. This is not used in determination of proportional amount.

#### **Section 12.07.002 Enforcing payment of pro rata costs.**

The city shall have the authority to enforce payment of costs by all legal means available including the disconnection of sanitary sewer service to a development or lot. Nothing in this article shall be deemed in any way to be an exclusive method of enforcing the payment of the pro rata cost against the consumers and property owners, and this article

shall not be deemed in any manner to be a waiver of the city's right to assess the property owners and/or consumers concerned for cost of the installation of wastewater mains and to fix and enforce liens against such property, all of which may be done as provided by ordinance in the manner prescribed by law.

## **DIVISION 2. WASTEWATER MAIN EXTENSIONS**

### **Section 12.07.010 Basic policy.**

- (a) *Connection to wastewater systems.* All subdivisions and each lot to be developed within the City of Lavon shall be served by an approved sewage collection and disposal system. No development shall be approved unless adequate assurances are provided that such development will be connected with the city's wastewater system. No building permits shall be issued until satisfactory evidence of such connection has been provided.
- (b) *Responsibility for installation and extensions.* The developer shall install all wastewater facilities needed to serve the development and shall extend all wastewater mains and appurtenances necessary to connect the development with the city's wastewater system. All initial costs of installation shall be borne by the developer subject to city participation in oversize costs pursuant to section 12.07.012 and subject to reimbursement from proceeds of pro rata fees pursuant to section 12.07.020. Requests for city extension of wastewater mains shall be as provided for in section 12.07.013.
- (c) *Condition of granting main extension.* Authority to extend wastewater mains to serve a proposed development shall be granted by the city only upon a determination by the city engineer that all facilities necessary to adequately serve the development are in place or will be in place prior to the issuance of building permits for structures developed on such land.
- (d) *Location of facilities.* The location of all wastewater mains necessary to serve a proposed development shall be in accordance with the city's master plan(s) for wastewater facilities and in accordance with the city's subdivision regulations and general design standards.
- (e) *Construction standards.* All wastewater facilities required by these regulations shall be designed and constructed in accordance with the requirements and specifications contained in the City of Lavon General Design Standards.
- (f) *Permanent lift stations.* Should a lift station be required by the city engineer to provide wastewater service to a subdivision or development that by reason of topography cannot be served by a gravity sanitary sewer system to the City of Lavon Wastewater Treatment Plant, the developer shall design and construct a permanent lift station and all appurtenances thereto at the developer's expense subject to reimbursement of pro rata fees pursuant to division 3. The lift station shall be designed and constructed for the entire drainage area as approved by the city engineer. Once the permanent lift station is constructed and operational and accepted by the City of Lavon, the city shall take ownership and operation as described in the city subdivision ordinance.

- (g) *Pro rata fees for adjacent mains.* When an existing wastewater main lies in a street, alley or easement in or adjacent to an area or tract of land to be subdivided, the developer shall pay all applicable pro rata fees pursuant to division 3 for the wastewater main prior to release of the engineering plans for the subdivision. When the proposed development is to be served by a lift station required under subsection (f), the developer shall pay all applicable pro rata fees for the station pursuant to division 3 prior to release of the engineering plans.

**Section 12.07.011 Extension of wastewater mains for development.**

Developers shall extend wastewater mains to and through the property that is to be subdivided or developed in accordance with the following procedures and minimum standards:

- (a) *Size of mains.* Wastewater mains shall be sized and designed in accordance with the City's Sanitary Sewer Master Plan.
- (b) *Extensions with property to be developed.* All wastewater mains shall be extended through and/or across the frontage of the property to be developed in streets, alleys, or in easements to the tract or addition in order to provide service to adjacent property where applicable.
- (c) *Acquisition of easements.* The developer must obtain all offsite easements which are necessary for extending wastewater mains to the property being developed. A metes and bounds description of the easements and a drawing of the easements must be submitted to the city engineer along with the proper legal documentation creating the easement. After approval of the metes and bounds description by the city engineer, the document will be returned to the developer for acquisition of the required signatures. The executed document and filing fees will be returned to the city administrator for filing with the county clerk.
- (d) *Agreement required.* Prior to extension of any facility for which there will be a city reimbursement, the developer shall execute an improvement agreement with the city that clearly defines the scope and details of the proposed extension and which contains the developer's agreement to abide by all regulations of the city and to deliver to the city clear and unencumbered title to all proposed improvements prior to the time of acceptance by the city. The agreement shall provide for security in a form of a payment bond by the developer or his contractor for proposed work and will require a release of liens prior to final acceptance by the city.

**Section 12.07.012 Participation and reimbursement by city in the cost of oversize wastewater mains.**

- (a) *City participation policy.* The city may participate in the reasonable construction costs of oversize wastewater mains and appurtenances thereto that exceed eight (8) inches in diameter. The developer initially shall be responsible for the entire cost of the oversize main.

- (b) *No funds available.* In no event will the city be required to participate in the costs of oversized mains pursuant to this section if there are no funds available for such purposes.
- (c) *Participation and reimbursement requests.* A request for city participation authorized by subsection (a) and (b) hereof shall be initiated through the submission of an application for participation by the developer prior to the initiation of construction. The application shall be accompanied by engineering drawings approved by the city engineering division showing the reimbursable items, a copy of estimated costs for construction, final quantities, oversized calculations for all reimbursable items, performance bond and a project location map.
- (d) *City reimbursement.* If the request for city participation is approved by the city council following dedication and acceptance of a facility or appurtenances in which it has agreed to participate, the city shall refund the costs of oversized such facility in accordance with the following procedures and standards.
  - (2) *Oversize cost determination.* The extent of the city's participation in the costs of oversized mains shall be determined by comparing costs computed by the following two (2) methods:
    - a. *Method 1.* The developer shall take at least three (3) bids on installation of a system using diameter main required for the development and the larger size that will actually be installed. Copies of the bids, tabulations and figures shall be submitted to the city engineer. Calculations shall delineate the total cost for installation of the oversized mains with appurtenances, along with the cost for installing the required diameter mains with appurtenances, with the differences noted as participation by the city.
    - b. *Method 2.* The city engineer shall establish unit prices for similar types of construction done in the previous twelve (12) months. These unit prices shall establish costs based upon estimates obtained on similar projects within the last twelve (12) months or base unit costs used to determine the maximum difference in cost between the required diameter main size and the cost of oversized mains to be installed. The unit prices shall be incorporated into this section as if fully set forth herein and shall be used to determine the city's participation.
    - c. *City engineer's option.* The city engineer shall have the option to establish the method in subsection b. whenever he considers the results of the method in subsection a. to be unreasonable or whenever the developer fails to submit the proper information as required.
    - d. *Engineering costs.* The city shall pay a maximum of six (6) percent of the city's cost for engineering fees that includes surveying, construction staking and supervision.
  - (3) *Exception to city participation.* The city will not participate in the cost of an oversized main if the development requires a main equal to the line constructed to serve the development.

**Section 12.07.013 Extension of mains by city.**

- (a) *Extension to serve development.* The city may, but shall not be required to, extend a wastewater main to serve a development in lieu of installation by the developer subject to the following standards and procedures:
- (1) *Request by developer.* The developer may petition the city to extend a wastewater main to serve the development in lieu of the developer constructing the facilities.
  - (2) *Criteria.* If the city agrees to extend the wastewater main, the city's procedures for competitive bidding and award of contract must be followed. The developer shall execute an improvement agreement with the city prior to the initiation of construction.
  - (3) *Condition of extension.* As a condition of granting the developer's request to extend a wastewater main, the developer shall deposit cash in an amount equal to one hundred (100) percent of the projected costs of the extension, less the cost of the city's oversize participation if applicable, together with easements required by subsection 12.07.011 (c).
  - (4) *Reimbursement from pro rata fees.* The developer shall be entitled to reimbursement from the proceeds of pro rata fees established for the main or mains serving the development pursuant to division 3.

**Section 12.07.014 Health and safety extensions to serve individual lots.**

For paramount purposes of health and safety, the city may extend a wastewater main to individual residential lots. In such cases, each individual lot owner shall be responsible for a pro rata share of the cost of such main serving the lot, as determined by the city council.

**DIVISION 3. PRO RATA FEES**

**Section 12.07.020 Pro rata fees to be established.**

- (a) *Nature of fee.* A charge known as a "pro rata fee" shall be imposed against all undeveloped property abutting an existing wastewater main or for undeveloped property within the drainage area of a permanent lift station or sanitary sewer trunk main for which such fee has been established pursuant to this division, as a condition of connection to such main or lift station, for the purpose of reimbursing the developer who previously installed or paid for the main or lift station.
- (b) *Amount of fee – wastewater main.* The pro rata fee shall be established for each side of the main to which connections are to be made. The fee for each side shall be equivalent to the user's proportionate share of the system, together with all appurtenances, based upon the user's demand and/or verified costs pursuant to section 12.07.021 for that length of the system being utilized by the property being charged.
- (c) *Amount of fee – lift station.* The pro rata fee shall be established for users of a permanent lift station. The fee shall be equivalent to the user's proportionate share of the lift station system, together with all appurtenances, based upon the user's demand and/or verified costs pursuant to section 12.07.021 for that area of the system being utilized by the property being charged.

**Section 12.07.021 Procedure for establishing pro rata fees.**

- (a) *Request for pro rata fees.* Prior to final acceptance of wastewater main improvements by a developer, the developer shall submit a written request to the city administrator stating whether a pro rata fee will or will not be requested to be established for the main that the developer installed.
- (b) *Submittal requirements.* The request to establish a pro rata fee shall be on a pro rata contract form provided by the city. The request shall include a copy of the actual contract with unit prices. The request must identify the cost of the main including valves, fittings, manholes and other appurtenances which are determined necessary for the construction of the line.
- (c) *Verification of costs by city engineer.* The city engineer shall verify the developer's calculations for the pro rata reimbursement. In the event of a discrepancy, the city engineer shall establish the cost for the pro rata fee based upon verifiable costs.
- (d) *Reimbursement amount.* The maximum amount for which a developer may be reimbursed from the proceeds of pro rata fees for the main installed shall not exceed the costs determined by the city engineer under subsection (c) plus engineering fees, calculated at the rate of six (6) percent of the verified construction cost.
- (e) *Pro rata for permanent lift station or sanitary sewer trunk main.* In the event a permanent lift station or sanitary sewer trunk main that exceeds the area necessary to serve a development is required pursuant to section 12.07.010 and section 12.07.011, the developer must submit a written request for establishment of a pro rata fee for the permanent lift station or sanitary sewer trunk main which shall be on a cost per acre basis to be eligible for pro rata. The costs eligible for reimbursement shall include the lift station, force main and other appurtenances or sanitary sewer trunk main, and other items included in subsection (b). The city engineer shall be responsible for approving the cost submitted by the developer for the drainage area served by the facility, as provided in subsection (c).

**Section 12.07.022 Payment of pro rata fees.**

- (a) *Obligation to pay fee.* The pro rata fee shall become payable prior to the issuance of a building permit except that for a single-family residential development the pro rata fee shall become payable prior to approval of engineering plans or at an appropriate subsequent date as determined by the city engineer.
- (b) *Calculation of fee.* The amount of the pro rata fee shall be calculated by the city engineer by multiplying the unit cost determined in sections 12.07.020 and 12.07.021 by the number of linear feet of that portion of the property boundary of a lot which abuts a street, alley or easement containing a wastewater main for which pro rata fees have been established, or the user's proportionate per acre fee multiplied by the number of acres in the development.

**Section 12.07.023 Pro rata fee account.**

A pro rata fee account is hereby established. The city shall deposit all pro rata fees collected pursuant to section 12.07.021 and section 12.07.022 into such account. Expenditures from such account shall be earmarked solely for reimbursement of developers for the reasonable costs of installing wastewater mains for which pro rata fees have been established pursuant to section 12.07.021 and section 12.07.022.

**Section 12.07.024 Reimbursement for wastewater main extensions.**

- (a) *Reimbursement time limit.* For a period of ten (10) years after dedication to and acceptance by the city of the completed facility, the developer shall be entitled to reimbursement from the proceeds of the pro rata fees established pursuant to section 12.07.021 up to the total cost of the extensions. Payment shall be from the pro rata fee account. The city shall make reimbursements within one hundred eighty (180) days after receipt of the pro rata fee.
- (b) *Unclaimed funds.* If the city is unable to reimburse the developer who installed the main following reasonable attempts to locate such developer, the city shall refund all fees which remain unclaimed ten (10) years following the date of acceptance of the wastewater main, together with interest accrued, to the depositor of the fee. If such depositor cannot be located, the pro rata fees shall be transferred to the city sewer fund for expenditure.

**Section 12.07.025 City collection fee.**

On all pro rata fees reimbursed to the developer, the city shall deduct two (2) percent of the amount collected plus one hundred dollars (\$100.00) as a collection fee. The city shall deposit collection fees into the city sewer fund for expenditure.

**DIVISION 4. SERVICE CONNECTION**

**Section 12.07.030 Sanitary sewer.**

- (a) *Installation of sanitary sewer taps.* The developer shall install all sanitary sewer taps in the streets, alleys and easements for new residential and all nonresidential properties. Such taps shall be installed from the main to the property line when the sewer main is located in an alley or street right-of-way; if the sewer main is in an easement, the service connection shall be installed from the sewer main to the easement boundary line. The developer responsible for a structure on a lot shall make final connection from the yard line to the service line. The city shall charge for each sewer tap the rates adopted by the City Council in the City's Fee Schedule, as amended.
- (b) *Service line.* The property owner shall install a service line at his expense to the city's lateral in accordance with regulations and subject to the inspection of the city and shall thereafter be responsible for normal maintenance of said service line from the house or building to the property line.
- (c) *Separate connections required.* Each house or building within the city shall be served by a separate and independent sanitary sewer connection. Where the service laterals

have been installed by a developer to serve a lot or tract of land, said lot or tract of land shall be exempt from a connection charge.

- (d) *Charges outside the city.* Water service connection charges for property within corporate limits of the city shall be determined and set forth in a specific agreement with the governmental entity involved.

**Section 12.07.031 Refunding procedure.**

All refunds provided for in this division shall be made within one hundred eighty (180) days of determination. The city shall not be liable for payment of interest on any deposits or refunds provided for in this division.

**SECTION 3. SAVINGS/REPEALING CLAUSE:**

All provisions of any ordinance in conflict with this Ordinance are hereby repealed to the extent they are in conflict; but such repeal shall not abate any pending prosecution for violation of the repealed ordinance, nor shall the repeal prevent a prosecution from being commenced for any violation if occurring prior to the repeal of the ordinance. Any remaining portions of said ordinances shall remain in full force and effect.

**SECTION 4. SEVERABILITY:**

Should any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. Lavon hereby declares that it would have passed this Ordinance, and each section, subsection, sentence, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences clauses and phrases be declared unconstitutional or invalid.

**SECTION 5. EFFECTIVE DATE:**

This Ordinance shall become effective immediately upon its adoption and its publication as required by law.

**SECTION 6. OPEN MEETINGS:**

That it is hereby found and determined that the meeting at which this Ordinance was passed was open to the public as required by law, and that public notice of the time, place, and purpose of said meeting was given, all as required by Article 551.041, Texas Government Code.

**PASSED AND APPROVED** by the City Council of the City of Lavon,  
Texas this 16<sup>th</sup> day of April 2019.

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Vicki Sanson  
Mayor

ATTEST:

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Kim Dobbs  
City Administrator/ City Secretary



**CITY OF LAVON  
CITY COUNCIL  
Agenda Brief**

**MEETING: June 4, 2019**

**ITEM: 8 - K**

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**Item:**

Discussion and action regarding Ordinance No. 2019-06-06 granting to Farmers Electric Cooperative, Inc., its successors and assigns, an electric power franchise to use the present and future streets, alleys, highways, public utility easements, public ways and public property of the City of Lavon, Texas, providing for compensation therefor, providing for an effective date and a term of said franchise agreement, providing for written acceptance of this franchise, providing for the repeal of all existing franchise ordinances to farmers electric cooperative, its predecessors and assigns, and finding that the meeting at which this ordinance is passed is open to the public.

**Background:**

In 1973, the City Council adopted Ordinance No. 1973-7-1 granting to Farmers Electric Cooperative, Inc. (FEC), a franchise for generation, sale and distribution of electricity within a specified area of the city. Upon the expiration of the first term in July 1998, the franchise was renewed for a twenty-year term. That second term has expired and FEC and the city have continued the arrangement as if the franchise were still in effect as agreed initially. The city attorney worked with FEC to present the proposed ordinance to renew the franchise in more current terms and within the existing regulatory framework.

**Financial Implications:**

No change is anticipated.

**Staff Notes:**

Approval is recommended.

- Attachments:**
- 1) Propose Ordinance
  - 2) Ordinance No. 1973-7-1

May 31, 2019

**CITY OF LAVON, TEXAS  
ORDINANCE NO. 2019-06-06**

Franchise Agreement

**AN ORDINANCE GRANTING TO FARMERS ELECTRIC COOPERATIVE, INC., ITS SUCCESSORS AND ASSIGNS, AN ELECTRIC POWER FRANCHISE TO USE THE PRESENT AND FUTURE STREETS, ALLEYS, HIGHWAYS, PUBLIC UTILITY EASEMENTS, PUBLIC WAYS AND PUBLIC PROPERTY OF THE CITY OF LAVON, TEXAS, PROVIDING FOR COMPENSATION THEREFOR, PROVIDING FOR AN EFFECTIVE DATE AND A TERM OF SAID FRANCHISE AGREEMENT, PROVIDING FOR WRITTEN ACCEPTANCE OF THIS FRANCHISE, PROVIDING FOR THE REPEAL OF ALL EXISTING FRANCHISE ORDINANCES TO FARMERS ELECTRIC COOPERATIVE, ITS PREDECESSORS AND ASSIGNS, AND FINDING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED IS OPEN TO THE PUBLIC.**

**WHEREAS**, on July 10, 1973, the City of Lavon, Texas (the “City”) granted a twenty-five (25) year franchise agreement to Farmers Electric Cooperative, Inc. (“FEC”) via the adoption of Ordinance No. 1973-7-1 (the “Franchise Agreement”); and

**WHEREAS**, the Franchise Agreement renewed automatically on July 10, 1998 for an additional twenty-year (20) term that expired in July 2018; and

**WHEREAS**, the City and FEC desire to execute a new franchise agreement setting the terms and conditions of the franchise granted to FEC; and

**WHEREAS**, the City is legally authorized to regulate and franchise the use of City owned rights of way; and

**WHEREAS**, all legal prerequisites for the passage of this Ordinance have been met, including but not limited to the requirements of the Texas Open Meetings Act; and

**WHEREAS**, the City Council of the City of Lavon, Texas (the “City Council”) has found that the passage of this Ordinance serves the best interests of the health, safety, and welfare of the public.

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAVON, TEXAS:**

**SECTION 1. RECITALS:**

The City Council hereby finds that the statements set forth in the recitals of this Ordinance are true and correct, and the City Council hereby incorporates such recitals as part of this Ordinance.

**SECTION 2. GRANT OF AUTHORITY:**

That there is hereby granted to Farmer's Electric Cooperative, Inc., its successors and assigns (herein called "Company"), the right, privilege and franchise to erect, construct, extend, maintain, use, remove, replace, repair and operate in, along, under and across the present and future streets, alleys, highways, public utility easements, public ways and other public property (Public Rights-of-Way) of the City of Lavon, Texas (herein called "City") electric power lines, with all necessary or desirable appurtenances (including underground conduits, poles, towers, wires, transmission lines, telephone and communication lines, and other structures for its own use), (herein called "Facilities") for the purpose of selling, distributing, and transmitting electricity to the City, the inhabitants thereof, and persons, firms and corporations beyond the corporate limits thereof, for the term set out in Section 20.

**SECTION 3. CONSTRUCTION, MAINTENANCE, OPERATION AND RELOCATION OF FEC FACILITIES:**

Poles, towers and other structures shall be so erected as not to unreasonably interfere with traffic over streets, alleys and highways.

The City reserves the right to lay, and permit to be laid, storm, sewer, gas, water, wastewater and other pipelines, cables, and conduits, or other improvements and to do and permit to be done any underground or overhead work that may be necessary or proper in, across, along, over, or under Public Rights-of-Way occupied by Company. The City also reserves the right to change in any manner any curb, sidewalk, highway, alley, public way, street, utility lines, storm sewers, drainage basins, drainage ditches, and the like. Upon request by City, Company shall relocate its facilities at the expense of the City except as otherwise required by Section 37.101(c) of the Texas Public Utility Regulatory Act (PURA), which statutory provision currently states, the governing body of a municipality may require an electric utility to relocate the utility's facility at the utility's expense to permit the widening or straightening of a street. City and Company further agree that widening and straightening of a street includes the addition of any acceleration, deceleration, center or side turn lanes, and sidewalks (meaning sidewalks done in conjunction with widening or straightening of a street). All costs and expense associated with the aforementioned changes to Company facilities shall be paid for, in advance, by the City. Upon receiving (i) the reasonable and lawful request, (ii) all necessary, required, and approved final plans based on the City's engineering and/or planning requirements, (iii) not less than ninety (90) days' written notice and (iv) the advance payment from the City, the Company shall use commercially reasonable efforts to comply with the City's request, subject to the availability of materials and equipment. Company shall, except in cases of emergency conditions or work incidental in nature, obtain a permit, if required by City ordinance, prior to performing work in the Public Rights-of-Way, except in no

instance shall Company be required to pay fees or bonds related to its use of the Public Rights-of-Way, despite the City's enactment of any ordinance providing the contrary. Company shall construct its facilities in conformance with the applicable provisions of the National Electric Safety Code.

If the City requires the Company to adapt or conform its Facilities, or in any manner to alter, relocate, or change its Facilities to enable any other corporation or person to use, or use with greater convenience, said street, alley, highway, or public way, the Company shall not be bound to make such changes until such other corporation or person shall have undertaken, with good and sufficient bond, to reimburse the Company for any costs, loss, or expense which will be caused by, or arises out of such change, alteration, or relocation of Company's Facilities.

If City abandons any Public Rights-of-Way in which Company has facilities, such abandonment shall be conditioned on Company's right to maintain its use of the former Public Rights-of-Way and on the obligation of the party to whom the Public Rights-of-Way is abandoned to reimburse Company for all removal or relocation expenses if Company agrees to the removal or relocation of its facilities following abandonment of the Public Rights-of-Way. If the party to whom the Public Rights-Of -Way is abandoned request the Company to remove or relocation shall be done within a reasonable time at the expense of the party requesting the removal or relocation. If relocation cannot practically be made to another Public Rights-of-Way, the expense of any right-of-way acquisition shall be considered a relocation expense to be reimbursed by the party requesting the relocation.

#### **SECTION 4. INDEMNITY AND INSURANCE:**

A. In consideration of the granting of this franchise, Company, shall, at its sole cost and expense, indemnify and hold the City, and its past and present officers, agents and employees (the "indemnities") harmless against any and all liability arising from suits, actions or claims regarding injury or death to any person or persons, or damages to any property arising out of our occasioned by the intentional and/or negligent acts or omissions of Company construction, maintenance and operation of Company's system in the public rights-of-way, including any court cost, expenses and defenses thereof.

B. This indemnity shall only apply to the extent that the loss, damage or injury is attributable to the negligence or wrongful act or omission of the Company, its officers, agents or employees, and does not apply to the extent such loss, damage or injury is attributable to the negligence or wrongful act or omission of the City, or the City's officers, agents, or employees or any other person or entity. This provision is not intended to create a cause of action or liability for the benefit of third parties but is solely for the benefit of Company and the City.

C. In the event of joint and concurrent negligence or fault of both Company and the City, responsibility and indemnity, if any, shall be apportioned comparatively between the City and Company in accordance with the laws of the state of Texas and without, however, waiving any governmental immunity available to the City under Texas law and without

waiving any of the defenses of the parties under Texas law. Further, in the event of joint and concurrent negligence or fault of both Company and the City, responsibility for all cost of defense shall be apportioned between the City and Company based upon the comparative fault of each.

D. In fulfilling its obligation to defend and indemnify City, Company shall have the right to select defense counsel, subject to City's approval, which will not be unreasonably withheld. Company shall retain defense counsel within seven (7) business days of City's written notice that City is invoking its right to indemnification under this franchise. If Company fails to retain counsel within such time period, City shall have the right to retain defense counsel on its own behalf, and Company shall be liable for all reasonable defense costs incurred by City, except as otherwise provided in section 4(b) and 4(c).

E. Company shall, at its sole cost and expense, obtain, maintain, and provide, throughout the term of this Franchise Agreement, insurance or provide Self-Insurance against all claims for injuries to person or damages to property that may arise from or in connection with the exercise of the rights, privileges and authority granted hereunder to FEC, its agents, representatives or employees in accordance with the following minimum coverage:

(a). Commercial general or excess liability on an occurrence or claims made from with minimum limits of five million dollars (\$5,000,000.00) per occurrence and ten million dollars (\$10,000,000.00) aggregate. To the extent that coverage is maintained on a claims made form, the minimum limits are ten million dollars (\$10,000,000.00) per occurrence and twenty million dollars (\$20,000,000.00) aggregate. This coverage shall include the following:

- a. Products/completed operations to be maintained for two (2) years;
- b. Personal and advertising injury;
- c. Contractual liability; and,
- d. Explosion, collapse, or underground hazards

(b). Automobile liability coverage with a minimum policy limit of one million dollars (\$1,000,000.00) combined single limit. This coverage shall include all owned, hired and non-owned automobiles.

(c). Workers' compensation and employers' liability coverage. Statutory coverage limits for Coverage A and five hundred thousand dollars (\$500,000.00) Coverage B employers' liability is required.

(d). Company will provide the necessary proof of insurance within 30 days of the effective date of this Franchise Agreement. Company will not be required to furnish separate proof when applying for permits. Company will provide 30 days advance written notice to City of cancellation or material reduction of the insurance policies.

(e). Company's insurance of its obligations and risks undertaken pursuant to this franchise may be in the form of self-insurance to the extent permitted by applicable law, under a Company plan of self-insurance maintained in accordance with sound accounting and risk-management practices.

**SECTION 5. NON-EXCLUSIVE FRANCHISE:**

This franchise is not exclusive, and nothing herein contained shall be construed so as to prevent the City from granting other like or similar rights, privileges and franchises to any other person, firm, or corporation. Any Franchise granted by the City to any other person, firm, or corporation shall not unreasonably interfere with this Franchise.

**SECTION 6. PAYMENTS TO CITY:**

In consideration of the grant of said right, privilege and franchise by the City and as full payment for the right, privilege and franchise of using and occupying the said Public Rights-of-Way, Company shall pay to the City annually a two per cent (2%) Gross Receipts franchise fee, as well as being subject to any and all ad valorem taxes which might be assessed by the City. For the purposes of this Section 6, "Gross Receipts" shall mean all amounts classified as electric service revenues collected by the Company from the Company's Members for the provision of Electric Utility Service received by the Company's Members at a location within the City. The term Gross Receipts shall exclude: revenue billed but not received; reimbursements for damage to the Electric Power Utility System; reimbursements for relocation cost of moving the Electric Power Utility System; contributions in aid of construction; advances in aid of construction; line extension charges in the form of one-time payments or monthly facilities charges; taxes; revenues from materials or equipment sales; principal and interest payments on amounts loaned by the Company; membership fees; deposits; revenues and receipts received from electric utilities for the use of Company transmission lines, Electric Power Utility System, and wholesale distribution sales; rental or fees paid by third parties for joint use attachments to or other use of the Electric Power Utility System; other miscellaneous non-operating revenues and receipts not directly related to the provision of Electric Power Service (i.e. interest income on Company bank accounts); or any receipts required to be remitted by the Company to third parties.

The rates to be charged by Company for residential and commercial members, or other persons, firms or corporations in said City, shall be the rates of Company in effect from time to time charged to its other members. The service furnished hereunder to the members and the inhabitants of said City within the area above set out shall be first class in all respects considering all circumstances, and shall be subject to such reasonable rules and regulations as City may make from time to time. Company may require reasonable security for the payment of its bills and may require such inhabitants or other persons, firms, or corporations to become members of said Company and be bound by its charter, as the case may be, and by-laws.

**SECTION 7. BOOKS AND RECORDS:**

A. City may, if it sees fit, upon reasonable notice to Company have the books and records of Company examined by a representative of said City to ascertain the correctness of the reports agreed to be filed herein. Company shall make available, during normal working hours and upon reasonable notice, such personnel and records as City may in its reasonable discretion request in order to complete such audit, and shall make no charge to the City therefore. Company shall assist City in its review by providing all requested information no later than fifteen (15) business days after receipt of a request. The cost of the audit shall be borne by City unless the audit discloses that Company has underpaid the franchise fee by 10 percent or more, in which case the reasonable costs of the audit shall be reimbursed to the City by Company. If such an examination reveals that Company has underpaid City, then upon receipt of written notification from City regarding the existence of such underpayment, Company shall undertake a review of City's claim and if said underpayment is confirmed, remit the amount of underpayment to City. Should Company determine through examination of its books and records that City has been overpaid, upon receipt of written notification from Company regarding the existence of such overpayment, City shall review Company's claim and if said overpayment is confirmed, remit the amount of overpayment to Farmers Electric Cooperative, Inc.

B. If Farmers Electric Cooperative, Inc. provides confidential or proprietary information to the City, Company shall be solely responsible for identifying such information with markings calculated to bring the City's attention to the proprietary or confidential nature of the information. City agrees to maintain the confidentiality of any non-public information obtained from Company so designated to the extent allowed by law. City shall not be liable to Company for the release of any information City is required to release by law. If City receives a request under the Texas Public Information Act that includes Company's document(s) of a proprietary or confidential nature, City will request an opinion from the Texas Attorney General as to the confidential or the proprietary nature of the document(s). City also will provide Company with a copy of this request, and thereafter Company is responsible for establishing that an exception under the Texas Public Information Act allows City to withhold the information.

#### **SECTION 8. ACCEPTANCE OF FRANCHISE:**

A. In order to accept this franchise, Company must file with the City Secretary its written acceptance of this franchise ordinance within sixty (60) days after its final passage and approval by City. If such written acceptance of this franchise ordinance is not filed by Company, the franchise ordinance shall be rendered null and void.

B. When this franchise ordinance becomes effective, all previous ordinances of City granting franchises held by Company shall be automatically canceled and annulled, and shall be of no further force and effect.

#### **SECTION 9. TERMINATION:**

A. Right to Terminate. In addition to any rights set out elsewhere in this Ordinance, City reserves the right to terminate the Franchise and all rights and privileges pertaining thereto, in the event that Company violates any material provision of the Franchise.

B. Procedures for Termination.

- (1) City may, at any time, terminate this Franchise for a continuing material violation by Company of any of the substantial terms hereof. In such event, City shall give to Company written notice, specifying all grounds on which termination or forfeiture is claimed, by registered mail, addressed and delivered to Company at the address set

forth in Section 14 hereof. Company shall have one hundred twenty (120) days after the receipt of such notice within which to cease such violation and comply with the terms and provisions hereof. In the event Company fails to cease such violation or otherwise comply with the terms hereof, then Company's Franchise is subject to termination under the following provisions. Provided, however, that if Company commences work or other efforts to cure such violations within sixty (60) days after receipt of written notice and shall thereafter prosecute such curative work with reasonable diligence until such curative work is completed, then such violations shall cease to exist, and the Franchise will not be terminated.

- (2) Termination shall be declared only by written decision of the City Council after an appropriate public proceeding whereby Company is afforded the full opportunity to be heard and to respond to any such notice of violation or failure to comply. Company shall be provided at least fifteen business (15) days prior written notice of any public hearing concerning the termination of the Franchise. In addition, ten (10) days' notice by publication shall be given of the date, time and place of any public hearing to interested members of the public.
- (3) City, after full public hearing, and upon finding material violation or failure to comply, may terminate the Franchise or excuse the violation or failure to comply, upon a showing by Company of mitigating circumstances or upon a showing of good cause of said violation or failure to comply as may be determined by the City Council.
- (4) Nothing herein stated shall preclude Company from appealing the final decision of the City Council to a court or regulatory authority having jurisdiction.
- (5) Nothing herein stated shall prevent City from seeking to compel compliance by suit in any court of competent jurisdiction if Company fails to comply with the terms of this Franchise after due notice and the providing of adequate time for Company to comply with said terms.

#### **SECTION 10. NO THIRD-PARTY BENEFICIARIES:**

This Franchise is made for the exclusive benefit of the City and Company, and nothing herein is intended to, or shall confer any right, claim, or benefit in favor of any third party.

#### **SECTION 11. SUCCESSORS AND ASSIGNS:**

A. The rights granted by this franchise inure to the benefit of the Company. The Company may, without consent by City, transfer or assign the rights granted by this franchise to a parent, subsidiary or affiliate, provided that such parent, subsidiary or affiliate assumes all obligations of Company hereunder and is bound to the same extent as Company hereunder, and has net capital and liquid assets reasonably equivalent to Company's as of the month immediately preceding the transfer or there are provided other guarantees or assurances of the transferee's or assignee's financial ability to perform this franchise reasonably acceptable to the City. Company shall give City written notice thirty (30) days prior to such assignment.

B. City will have the right to approve the transfer or assignment of the franchise, except as provided in Section 11.A. above. City shall grant approval unless the Assignee is materially weaker than Company. For the purpose of this section, "materially weaker" means that the long-term unsecured debt rating of the Assignee is less than investment grade as rated by both S&P and Moody's. If the Assignee is materially weaker, the City may request additional documents and information reasonably related to the transaction and the legal, financial, and technical qualifications of the Assignee. The City will grant approval to a materially weaker proposed Assignee or Transferee unless withheld for good cause such as: (1) the failure of the proposed

Assignee or Transferee to agree to comply with all provisions of this Ordinance and such additional conditions as the Council may prescribe in order to remedy existing conditions of non-compliance, and (2) the failure of the proposed Assignee or Transferee to provide assurances reasonably satisfactory to the Council of its qualifications, character, the effect of the Transfer and such other matters as the Council deems relevant. City agrees that said approval shall not be unreasonably delayed. Any such assignment or transfer shall require that said Assignee assume all obligations of Company and be bound to the same extent as Company hereunder. If within the first ninety (90) days after assignment to Assignee, City identifies a failure to comply with a material provision of this franchise, City shall have the right, after notice and opportunity for hearing before Council, to terminate this franchise.

**SECTION 12. COMPLIANCE WITH LAWS AND ORDINANCES:**

This Franchise is granted subject to the laws of the United States of America and its regulatory agencies and commissions and the laws of the State of Texas and all other generally applicable ordinances of the City, not inconsistent herewith, including, but not limited to, ordinances regulating the use of Public Rights-of-Way, as amended.

**SECTION 13. NO WAIVER:**

Either City or Company shall have the right to waive any requirement contained in this Ordinance, which is intended for the waiving party's benefit, but, except as otherwise provided herein, such waiver shall be effective only if in writing executed by the party for whose benefit such requirement is intended. No waiver of any breach or violation of any term of this Ordinance shall be deemed or construed to constitute a waiver of any other breach or violation, whether concurrent or subsequent, and whether of the same or a different type of breach or violation.

**SECTION 14. NOTICES:**

Any notices required or desired to be given from one party to the other party to this Ordinance shall be in writing and shall be given and shall be deemed to have been served and received if: (1) delivered in person to the address set forth below; (2) deposited in an official depository under the regular care and custody of the United States Postal Service located within the confines of the United States of America and sent by certified mail, return receipt requested, and addressed to such party at the address hereinafter specified; or (3) delivered to such party by courier receipted delivery. Either party may designate another address within the confines of the continental United States of America for notice, but until written notice of such change is actually received by the other party, the last address of such party designated for notice shall remain such party's address for notice.

To City of Lavon  
Attn: City Administrator  
PO Box 340  
120 School Road  
Lavon, Texas 75166

With a copy to:  
Messer, Fort, & McDonald, P.L.L.C.  
Attn: Andy Messer  
6371 Preston Rd., Ste. 200  
Frisco, Texas 75034

To Farmers Electric Cooperative, Inc.:  
Attn: Mark Stubbs  
2000 E. Interstate 30  
Greenville, Texas 75403

**SECTION 15. RENEGOTIATION:**

If either City or Company requests renegotiation of any term of this Ordinance, Company and City agree to renegotiate in good faith revisions to any and all terms of this Ordinance. If the parties cannot come to agreement upon any provisions being renegotiated, then the existing provisions of this Ordinance will continue in effect for the remaining term of the Franchise.

**SECTION 16. PREVIOUS ORDINANCES:**

When this Franchise becomes effective, all franchise ordinances and parts of franchise ordinances applicable to Company or its predecessors in interest granted by the City, are hereby repealed.

**SECTION 17. SEVERABILITY:**

Should any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. Lavon hereby declares that it would have passed this Ordinance, and each section, subsection, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional or invalid.

**SECTION 18. PARAGRAPH HEADINGS. CONSTRUCTION:**

The paragraph headings contained in this ordinance are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several paragraphs hereof. Both parties have participated in the preparation of this ordinance and this ordinance shall not be construed either more or less strongly against or for either party.

**SECTION 19. OPEN MEETING:**

That it is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public as required by law, and that public notice of the time, place, and purpose of said meeting was given all as required by Section 551.041, Texas Government Code.

**SECTION 20. EFFECTIVE DATE; TERM:**

If Company accepts this ordinance, it becomes effective as of June 4, 2019. This Ordinance shall become effective upon Company's written acceptance hereof, said written acceptance to be filed by Company with the City within sixty (60) days after final passage and approval hereof. The right, privilege and franchise granted hereby shall expire on July 10, 2044; and shall be subject to a renewal option for a period of twenty (20) years provided that, unless written notice is given by either party hereto to the other not less than sixty (60) days before the expiration of this franchise agreement, it shall be automatically renewed thereafter for

like periods until canceled by written notice given not less than sixty (60) days before the expiration of any such renewal period.

**PASSED AND APPROVED** by the City Council of the City of Lavon, Texas this 4<sup>th</sup> day of June 2019.

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Vicki Sanson, Mayor

ATTEST:

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Kim Dobbs  
City Administrator/ City Secretary

STATE OF TEXAS           §  
  §  
COUNTY OF COLLIN       §

WHEREAS, there was finally passed and approved on \_\_\_\_\_ Ordinance No. \_\_\_\_\_ granting Farmer's Electric Cooperative, Inc., its successors and assigns, a franchise to furnish and deliver electricity to the general public in the City of Lavon, Collin County, Texas, for the transporting, delivery and distribution of electricity in, out of and through said municipality for all purposes, which is recorded in the Minutes of the City Council of said City; and

WHEREAS, Section 8 of said ordinance provides as follows:

In order to accept this franchise, Farmers Electric Cooperative, Inc. must file with the City Secretary its written acceptance of this franchise ordinance within sixty (60) days after its final passage and approval by City. If such written acceptance of this franchise ordinance is not filed by Farmers Electric Cooperative, Inc., the franchise ordinance shall be rendered null and void.

WHEREAS, it is the desire of Farmer's Electric Cooperative, Inc., the holder of the rights, privileges and grants under the aforesaid franchise ordinance, to comply with the above-quoted provisions of Section 8 thereof.

NOW, THEREFORE, premises considered, Farmer's Electric Cooperative, Inc., acting by and through its duly authorized officers, and within the time prescribed by Section 8 quoted above, does hereby agree to and accept the franchise granted to it by the above-described ordinance, in accordance with its terms, provisions, conditions and requirements and subject to the stipulations and agreements therein contained.

WITNESS THE EXECUTION HEREOF, on this the \_\_\_\_ day of \_\_\_\_\_, 201\_\_.

Farmer's Electric Cooperative, Inc.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF TEXAS           §  
  §  
COUNTY OF COLLIN       §

I, Kim Dobbs, City Administrator | City Secretary of the City of Lavon, Texas, do hereby certify that the attached Acceptance executed by Farmer’s Electric Cooperative, Inc. is a true and correct copy of a formal acceptance of a franchise ordinance finally passed and approved by said City on \_\_\_\_\_ and of record in the Minutes of the City;

OF WHICH, witness my official signature and the seal of said City on this the \_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Kim Dobbs, City Administrator | City Secretary

NO. 1973-7-1

AN ORDINANCE GRANTING TO FARMERS ELECTRIC COOPERATIVE, INC., ITS SUCCESSORS AND ASSIGNS, A FRANCHISE FOR THE GENERATION, SALE AND DISTRIBUTION OF ELECTRICITY WITHIN A SPECIFIED AREA OF THE TOWN OF LAVON, COLLIN COUNTY TEXAS

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LAVON, COLLIN COUNTY, TEXAS:

That on the date hereinafter written, the franchise was granted to FARMERS ELECTRIC COOPERATIVE, INC., by the TOWN OF LAVON, Collin County, Texas, in the form of an ordinance, said ordinance, reading as follows:

"An Ordinance granting to FARMERS ELECTRIC COOPERATIVE, INC., its successors and assigns, for a period of twenty-five years from the 10 day of July, 1973, with a twenty-year option for renewal vested with the TOWN OF LAVON, Collin County, Texas, the right to sell, distribute and transmit electric energy in those areas which are incorporated within the city limits of the said TOWN OF LAVON, Collin County, Texas, heretofore served by said FARMERS ELECTRIC COOPERATIVE, INC., and in those areas which may be annexed to in the future by the said TOWN OF LAVON, Collin County, Texas, in which said FARMERS ELECTRIC COOPERATIVE, INC., is then serving the inhabitants, or a part thereof, including the right to erect, construct, maintain, use, extend, remove, replace and repair its poles, lines, transmission lines, wires, guys, conduits, transformers and other desirable equipment, instrumentalities and appurtenances in, over, under and through any of the streets, alleys, squares, avenues, parks, lanes, streams, bridges and public places in said areas within said TOWN OF LAVON heretofore mentioned or to be annexed hereinafter thereto and in which said FARMERS ELECTRIC COOPERATIVE, INC., was serving at the time of said annexation the inhabitants are a part thereof.

WHEREAS, the TOWN OF LAVON is incorporated as a municipality and included in the area of incorporation are certain areas now being served by FARMERS ELECTRIC COOPERATIVE, INC., and

WHEREAS, it is possible in the future that the said TOWN OF LAVON might annex other areas as a part of said TOWN which FARMERS ELECTRIC COOPERATIVE, INC., is serving the inhabitants of said area, or a portion of such inhabitants, at the time of such annexation;

NOW, THEREFORE, BE IT ORDAINED by the TOWN OF LAVON, Collin County, Texas:

Section 1. The work "Grantee" herein shall denote "FARMERS ELECTRIC COOPERATIVE, INC., " a corporation, with its headquarters at Greenville, Hunt County, Texas, its successors and assigns; and the word "Grantor" herein shall denote "THE TOWN OF LAVON, of Collin County, Texas."

Section 2. That the TOWN OF LAVON, Collin County, Texas, does hereby grant unto the said Grantee, its successors and assigns, the right to sell, distribute and transmit electric energy in those areas now located within the corporate limits of the said TOWN OF LAVON, in which Grantee is serving the inhabitants or some of the inhabitants with electric energy, and in all those areas that may be annexed and included within the corporate limits of the TOWN OF LAVON, Collin County, Texas, in the future in which Grantee at the time of such annexation, shall be furnishing electric energy to the inhabitants or some of the inhabitants of such area, including the right to erect, construct, maintain, operate, use, extend, remove, repair, and replace in, under, upon, over, across, and along any and all of the present and future streets, squares, parks, lands, alleys, sidewalks, avenues and other public places in such areas now annexed or hereinafter annexed as above set out, and over and across any stream or streams, bridge or bridges now or hereafter controlled

by Grantor in said area or areas hereinabove set out, a system of poles, pole lines, transmission lines, wires, guys, conduits, transformers and other desirable equipment, instrumentalities and appurtenances necessary or proper for the purpose of carrying, conducting, supplying, distributing, and selling to the inhabitants of said area or areas hereinabove set out of the TOWN OF LAVON, and the members of said Grantee or such other person or persons, firms or corporations within said area or areas hereinabove set out, electric energy and electricity for light, power and heat, and for such other purposes for which electricity may be used, and to carry, conduct, supply and distribute electricity in said area or areas above set out by means of said poles, pole lines, transmission lines, conduits and other instrumentalities, and to sell the same to the inhabitants of said area or areas above set out within said TOWN OF LAVON, Collin County, Texas, and the members of Said Cooperative or any other person or persons, firms and corporations therein providing.

Section 3. Poles, towers and lines shall be so erected as not to interfere with the traffic over the streets and alleys.

Section 4. The rates to be charged by Grantee for residential and commercial members, or other persons, firms or corporations in said TOWN OF LAVON, shall be the rates of Grantee in effect from time to time charged to its other members. The service furnished hereunder to the members and the inhabitants of said Town within the area above set out shall be first class in all respects considering all circumstances, and shall be subject to such reasonable rules and regulations as Grantor may make from time to time. Grantee may require reasonable security for the payment of its bills and may require such inhabitants or other persons, firms, or corporations to become members of said Grantee and be bound by its charter and by-laws.

Section 5. Grantee shall be liable for all damage and other

injuries to persons and property that may be caused by its negligence, and shall hold the TOWN OF LAVON harmless from all expense or liabilities for any account or neglect of Grantee hereunder.

Section 6. Grantee shall repair at its own expense any damage that may be done by it to the streets, alleys, avenues, sidewalks, bridges and public places in said areas hereinabove set out within the TOWN OF LAVON, Texas, so as to restore the same to their former state or condition.

Section 7. The provisions of this franchise are severable and if any section, provision or part thereof be declared invalid, then it is hereby declared the intend of the parties that the remaining parts of this franchise would be passed, notwithstanding such invalid part or parts, and the invalidity of any particular section, provision or part, shall not invalidate this franchise.

Section 8. Grantee shall be subject to a two per cent (2%) gross receipts tax to the TOWN OF LAVON as well as being subject to any and all ad valorem taxes which might be assessed by the said TOWN OF LAVON.

Section 9. It is recognized that FARMERS ELECTRIC COOPERATIVE, INC., is not the only supplier of electric energy within the city limits of said TOWN OF LAVON, and further is not the only supplier of electric energy within areas which might be possibly annexed in the future during the term of this franchise by said TOWN OF LAVON, and the said TOWN OF LAVON insists that territorial integrity shall prevail between said FARMERS ELECTRIC COOPERATIVE, INC., and any other suppliers of electric energy to whom said TOWN OF LAVON has or will grant similar franchises. That with regard to future customers in areas not at this time served by electric energy, it is agreed and understood that FARMERS ELECTRIC COOPERATIVE, INC., shall serve such customer only if such customer is nearer to facilities of FARMERS ELECTRIC COOPERATIVE,

INC., than any other supplier of electricity or that no other supplier of electricity is available to such customer.

Section 10. This franchise shall be in force and effect from and after its passage and no acceptance hereof by Grantee shall be necessary and this franchise shall exist for a period of twenty-five (25) years from the 10 day of July, 1973, and shall be subject to a renewal option by joint agreement with Grantor and Grantee therein for a period of twenty (20) years.

PASSED AND DULY ENACTED as an Ordinance of the TOWN OF LAVON, Collin County, Texas, in accordance with the Laws of the State of Texas, on this the 10 day of July, 1973.

W. H. Morrow  
Mayor, Town of Lavon

Dave Stimpert  
Secretary, Town of Lavon

(seal)