

ORDINANCE NO. 2021-

AN ORDINANCE APPROVING THE 2020-21 ANNUAL
SERVICE AND ASSESSMENT PLAN UPDATE FOR THE
LEAGUE CITY PUBLIC IMPROVEMENT DISTRICT NO. 1
(MAGNOLIA CREEK) FOR THE SECTION 5B AND
COMMERCIAL PARCELS

WHEREAS, the City of League City (the “City”) is authorized pursuant to Tx. Local Govt Code, Ch. 372, as amended (Chapter 372) to create public improvement districts for the purposes described therein; and

WHEREAS, the City received a petition (the “Petition”) requesting the creation of the League City Public Improvement District No. 1 (the “PID”); and

WHEREAS, on November 18, 1997, the City held a public hearing then passed and adopted Resolution No. 97-66 establishing the PID in accordance with Chapter 372; and

WHEREAS, on December 14, 1999, the City Council approved a Service and Assessment Plan, as amended and/or restated from time to time, (the “SAP”) for the PID;

WHEREAS, the City Council passed and adopted Ordinance No. 2013- 37 on August 27, 2013 approving an amendment to the Service and Assessment Plan for the PID;

WHEREAS, the city council wishes to approve the 2020-21 updates to the SAP for the PID for the Section 5B and Commercial Parcels.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEAGUE CITY, TEXAS, as follows:

Section 1. The facts recited in the preamble hereto are found to be true and correct.

Section 2. The updated 2020-21 SAP for the Section 5B and Commercial Parcels, attached to this Ordinance as Exhibit A, is hereby approved and adopted on behalf of the PID.

Section 3. All ordinances, and agreements and parts of ordinances and agreements in conflict herewith are hereby repealed to the extent of the conflict only.

Section 4. It is hereby found and determined that the meeting at which this ordinance was passed was open to the public and that advance public notice of the time, place and purpose of said meeting was given as required by law.

PASSED first reading the _____ day of _____, 2021.

PASSED second reading the _____ day of _____, 2021.

PASSED AND ADOPTED the _____ day of _____, 2021.

PAT HALLISEY
Mayor

ATTEST:

DIANA STAPP
City Secretary

APPROVED AS TO FORM:

NGHIEM V. DOAN
City Attorney

EXHIBIT A

2020-21 Annual Service and Assessment Plan Update for the Section 5B and Commercial Parcels

**LEAGUE CITY
PUBLIC IMPROVEMENT DISTRICT NO. 1
(MAGNOLIA CREEK)**

CITY OF LEAGUE CITY, TEXAS

SECTION 5B AND COMMERCIAL PARCELS

**ANNUAL SERVICE PLAN UPDATE
2020-21**

JULY 13, 2021

PREPARED BY:

MUNICAP, INC.
— PUBLIC FINANCE —

**LEAGUE CITY
PUBLIC IMPROVEMENT DISTRICT No. 1
(MAGNOLIA CREEK)**

SECTION 5B AND COMMERCIAL PARCELS

ANNUAL SERVICE PLAN UPDATE – 2020-21

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A. INTRODUCTION

I. INTRODUCTION

The League City Public Improvement District No. 1 – Magnolia Creek Master Planned Community) (the “PID”) was created pursuant to Chapter 372 of the Texas Local Government Code, as amended, (the “PID Act”) and Resolution No. 97-66 of the City Council (“City Council”) of the City of League City (“City”) on November 18, 1997 to finance certain Public Improvements for the benefit of the property in the PID.

A service and assessment plan, as amended and restated from time to time (the “Service and Assessment Plan”) was prepared at the direction of the City identifying the Public Improvements to be financed through the PID, the costs of the Public Improvements, and the manner of assessing the property in the PID for the costs of the Public Improvements. Pursuant to the Service and Assessment Plan, the Developers would provide the funds for the construction of the Public Improvements and would be entitled to repayment pursuant to the applicable Development Agreements. Pursuant to the PID Act, the Service and Assessment Plan must be reviewed and updated annually for the purpose of determining the annual budget for the Authorized Improvements. The Service and Assessment Plan was updated for Section 5B Residential Property, Commercial-Property, and Commercial-Lighthouse Property (the “Phase 5B”) on February 12, 2019 pursuant to Ordinance 2019-11. This document is the annual update of the Service and Assessment Plan for 2020-21 for Phase 5B (the “Annual Service Plan Update”).

The City also adopted an assessment roll (the “Assessment Roll”) identifying the assessments on each Parcel of Assessed Property within Phase 5B of the PID, based on the method of assessment identified in the Service and Assessment Plan. This Annual Service Plan Update also updates the Assessment Roll for Phase 5B annual installments of assessments (the “Annual Installments”) to be collected for 2020-21.

Capitalized terms shall have the meaning specified in the Service and Assessment Plan (the “SAP”) unless otherwise defined herein.

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B. UPDATE OF THE SERVICE PLAN

I. FIVE-YEAR SERVICE PLAN FOR THE AUTHORIZED IMPROVEMENTS

The original total estimated costs of the Authorized Improvements for the section of the PID shown in the Service and Assessment Plan, as updated from time to time, will be updated in accordance with Actual Costs substantiated in applicable accountant's reports ("AUPs"), as applicable.

A service plan must cover a period of five years. The Authorized Improvement projects within Phase 5B the PID have been completed. The projected Annual Installments for Phase 5B over a period of five years are shown in Table B-1 below.

Table B-1
Projected Five Year Annual Installments

Year	Section 5B Residential	Commercial- General	Commercial- Lighthouse
2021	\$122,226	\$37,854	\$6,552
2022	\$122,226	\$37,854	\$6,552
2023	\$122,226	\$37,854	\$6,552
2024	\$122,226	\$37,854	\$6,552
2025	\$122,226	\$37,854	\$6,552
2026	\$122,226	\$37,854	\$6,552
Total	\$733,356	\$227,124	\$39,312

II. ANNUAL BUDGET

Annual Installments

The Assessment imposed on any Parcel may be paid in full at any time. If not paid in full, the Assessment shall be payable in annual installments beginning with the Annual Installment collection commencement and assessment term provisions in the Service and Assessment Plan or the applicable ordinance.

Pursuant to the 2019 Service and Assessment Plan as updated for for Phase 5B, the collection of the first Annual Installment for the Section 5B and Commercial Parcels shall commence upon the earlier of: (i) the issuance of future PID Debt Obligations by the City, or (ii) September 1 following the first anniversary of the levy of the Assessment and the bill for such Annual Installment shall be sent with tax bills for such Parcel. It was intended that assessments on the Commercial - General Property would not commence until a final plat was filed. If by September 1 following the first anniversary of the levy of Assessment, a final plat was not filed, then the City Council would re-levy the assessment ordinance in regards to the Commercial – General Property in order to comply

with regulatory guidance set forth by the Attorney General's office that requires a governmental entity to re-levy an assessment if collection of the assessment has not begun in two years. The City Council would review the Assessment calculation and first Annual Installment commencement dates each year as part of the Annual Service Plan Update.

As of June 14, 2021 the City has confirmed that the final plat for the Commercial-General Property was approved and recorded. As a result, collection of the Assessment for the Commercial-General property has commenced for the 2020-21 Assessment Year. As such first Annual Installments were not billed on time along with other taxes, any late payment interest and penalty shall be waived until the first Annual Installments are collected. The second Annual Installments are anticipated to be billed and collected on time and any such delinquent second Annual Installments shall be subject to the applicable late payment interest and penalty.

Pursuant to the Service and Assessment Plan, the Annual Service Plan Update shall show the remaining balance of the Assessments and the Annual Installment due for 2020-21 to be collected from each Parcel for the payment of principal, interest and Administrative Expenses, as applicable.

Annual Installments to be Collected for 2020-21

The budget for Phase 5B of the PID will be paid from the collection of Annual Installments to be collected for 2020-21 as shown by Table B-2 below.

Table B-2
Budget for the Annual Installments
to be Collected for 2020-21

Descriptions	Section 5B Residential	Commercial- General	Commercial- Lighthouse	Total
Assessments (principal) due	\$44,505	\$14,121	\$2,288	\$60,914
Interest payment due on outstanding Assessments	\$73,221	\$23,233	\$3,764	\$100,218
Administrative Expenses	\$4,500	\$500	\$500	\$5,500
Annual Installments Due	\$122,226	\$37,854	\$6,552	\$162,132

As shown in Table B-2 above, the total Annual Installments to be collected for 2020-21 from Parcels within Section 5B Residential, Commercial General, and Commercial Lighthouse are equal to \$122,226, \$37,854 and \$6,552, for the payment of Assessments, interest on outstanding Assessments at the rate of 6.70 percent, and Administrative Expenses.

The list of Parcels within Section 5B Residential, Commercial General, and Commercial Lighthouse, the outstanding Assessments on each Parcel, and the Annual Installment to be collected for 2020-21 are shown in the Assessment Roll summary attached hereto as Appendix B-1, Appendix B-2 and Appendix B-3.

C. UPDATE OF THE ASSESSMENT PLAN

The Service and Assessment Plan adopted by the City Council provided that the Authorized Improvement Costs shall be allocated to the Assessed Property by spreading the entire Assessment across the Parcels based on the square feet of each unit anticipated to be developed within the PID, and that such method of allocation will result in the imposition of equal shares of the Actual Costs of the Authorized Improvements to Parcels similarly benefited.

This method of assessing property has not been changed and Assessed Property will continue to be assessed as provided for in the Service and Assessment Plan.

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D. UPDATE OF THE ASSESSMENT ROLL

The Assessment Roll shall be updated each year to reflect:

(i) the identification of each Parcel (ii) the Assessment for each Parcel of Assessed Property, including any adjustments authorized by this Service and Assessment Plan or in the PID Act; (iii) the Annual Installment for the Assessed Property for the year (if the Assessment is payable in installments); and (iv) payments of the Assessment, if any, as provided by Section C of this Annual Service Plan Update.

The summary Assessment Roll for Section 5B Residential Property, Commercial-General Property, and Commercial-Lighthouse Property are shown herein as Appendix B-1, Appendix B-2 and Appendix B-3, respectively. Each Parcel in the respective section of the PID is identified, along with the outstanding Assessment on each Parcel, and the Annual Installment to be collected from each Parcel.

I. PARCEL UPDATES

There are no Parcel updates to be provided in this Annual Service Plan Update.

II. PREPAYMENT OF ASSESSMENTS

There have been no prepayments of the Section 5B Residential Property, Commercial-General Property, or Commercial-Lighthouse Property Assessments of May 31, 2021.

The complete Assessment Rolls are available for review at the City Hall, located at 300 W. Walker Street, League City, Texas 77573.

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APPENDIX A
PID MAP

REVISION #8
a master plan update for
MAGNOLIA CREEK
± 909.1 ACRES OF LAND
prepared for
MHWS DEVELOPMENT, LLC



— Land Planning Consultants —
23501 Cinco Ranch Blvd., Suite A-250
Katy, Texas 77494
Tel: 281-579-0340

SCALE
0 100 200

FEBRUARY, 2017
KOA #02002



Magnolia Creek
Acreage Analysis Comparison

Land Use	April 1998 Master Plan	% of Gross Acreage	February 2017 Master Plan	% of Gross Acreage	% Difference
ENCUMBRANCES	+/-61.9 Ac.	6.8%	+/-68.5 Ac.	7.5%	+6.6%
League City Parkway	+/-15.8 Ac.		+/-15.8 Ac.		
Bay Area Boulevard	+/-13.2 Ac.		+/-13.2 Ac.		
H.L.P. Co. East	+/-24.7 Ac.		+/-24.7 Ac.		
Water Tower	+/-1.4 Ac.		+/-1.4 Ac.		
Lake/Detention	+/-10.0 Ac.		+/-10.0 Ac.		
Access Strip	+/-0.8 Ac.		+/-0.8 Ac.		
NON-RESIDENTIAL	+/-489.3 Ac.	53.8%	+/-489.3 Ac.	53.8%	0.0%
School Site	+/-11.3 Ac.		+/-11.3 Ac.		
Golf Course	+/-415.7 Ac.		+/-415.7 Ac.		
Commercial	+/-17.0 Ac.		+/-17.0 Ac.		
Park/Open Space/Trail	+/-24.2 Ac.		+/-24.2 Ac.		
Recreational Center	+/-2.0 Ac.		+/-2.0 Ac.		
RESIDENTIAL	+/-387.8 Ac.	42.6%	+/-387.8 Ac.	42.6%	0.0%
TOTAL LOTS	1,282 LOTS		1,282 LOTS		
GRAND-TOTAL	+/-899.1 Ac.	100%	+/-899.1 Ac.	100%	0.0%

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APPENDIX B-1

SECTION 5B RESIDENTIAL PROPERTY ASSESSMENT ROLL SUMMARY – 2020-21

League City PID No. 1 - (Magnolia Creek) Section 5B
2020-21 Assessment Roll Summary - Residential Parcels

Property ID	Lot SF	Assessment per Square Foot	Total Assessment	Annual Installment
727298	N/A	N/A	\$0.00	\$0.00
727316	16,549	\$2.28	\$37,767.99	\$4,224.01
727317	18407	\$2.28	\$42,008.30	\$4,698.25
727305	16,275	\$2.28	\$37,142.67	\$4,154.07
727299	N/A	N/A	\$0.00	\$0.00
727300	N/A	N/A	\$0.00	\$0.00
727301	15878	\$2.28	\$36,236.64	\$4,052.74
727302	13,598	\$2.28	\$31,033.24	\$3,470.79
727303	13095	\$2.28	\$29,885.30	\$3,342.40
727304	13,000	\$2.28	\$29,668.49	\$3,318.15
727314	16326	\$2.28	\$37,259.06	\$4,167.09
727315	15,065	\$2.28	\$34,381.21	\$3,845.23
727297	13500	\$2.28	\$30,809.58	\$3,445.77
727306	16,083	\$2.28	\$36,704.48	\$4,105.07
727307	16083	\$2.28	\$36,704.48	\$4,105.07
727308	16,083	\$2.28	\$36,704.48	\$4,105.07
727309	14329	\$2.28	\$32,701.52	\$3,657.37
727310	13,197	\$2.28	\$30,118.08	\$3,368.44
727311	14972	\$2.28	\$34,168.97	\$3,821.49
727318	24,136	\$2.28	\$55,082.97	\$6,160.54
727319	18488	\$2.28	\$42,193.15	\$4,718.92
727320	16,085	\$2.28	\$36,709.05	\$4,105.58
727321	16072	\$2.28	\$36,679.38	\$4,102.26
727322	13,861	\$2.28	\$31,633.46	\$3,537.92
727323	12825	\$2.28	\$29,269.10	\$3,273.49
727324	13,325	\$2.28	\$30,410.20	\$3,401.11
727325	14099	\$2.28	\$32,176.62	\$3,598.67
727326	15,175	\$2.28	\$34,632.25	\$3,873.31
727327	17153	\$2.28	\$39,146.43	\$4,378.18
727328	27,841	\$2.28	\$63,538.49	\$7,106.21
727329	12753	\$2.28	\$29,104.79	\$3,255.11
727312	16,062	\$2.28	\$36,656.56	\$4,099.71
727313	18548	\$2.28	\$42,330.09	\$4,734.24
Total	478,863		\$1,092,857.03	\$122,226.23

APPENDIX B-2
COMMERCIAL-GENERAL PROPERTY ASSESSMENT ROLL SUMMARY – 2020-21

**League City PID No. 1 - (Magnolia Creek) Commercial - General
2020-21 Assessment Roll Summary - Commercial Parcels**

Property ID	Parcel Acreage	Assessment per Acre	Total Assessment	Annual Installment
512377	11.48	\$30,205.56	\$346,759.81	\$37,854.13
Total	11.48		\$346,759.81	\$37,854.13

APPENDIX B-3
COMMERCIAL-LIGHTHOUSE PROPERTY ASSESSMENT ROLL SUMMARY – 2020-21

League City PID No. 1 - (Magnolia Creek)
2020-21 Assessment Roll Summary - Commercial - Lighthouse Parcels

Property ID	Parcel Acreage	Assessment per Acre	Total Assessment	Annual Installment
501768	1.86	\$30,205.56	\$56,182.34	\$6,552.15
Total	1.86		\$56,182.34	\$6,552.15