



**WORKSHOP & REGULAR MEETING  
OF THE TOWN COUNCIL**

**Tuesday, February 20, 2024**

**6:00 PM**

**Little Elm Town Hall**

**100 W Eldorado Parkway, Little Elm, TX 75068**

1. **Call to Order Council Workshop at 6:00 p.m.**
  - A. Present and Discuss **Rewards Member Redemption Stays Tax.**
  - B. Present and Discuss the **Draft Naming and Recognition Policy.**
2. **Roll Call/Call to Order Regular Town Council Immediately Following Council Workshop.**
  - A. Invocation.
  - B. Pledge to Flags.
  - C. Items to be Withdrawn from Consent Agenda.
  - D. Emergency Items if Posted.
  - E. Request by the Town Council for Items to be Placed on a Future Agenda for Discussion and Recognition of Excused Absences.

F. **Presentation of Monthly Updates.**

*Presentation of monthly updates from department heads: concerning law enforcement activities, municipal court, customer service, emergency medical services, fire department response, fire prevention activities, emergency management, ongoing economic development projects, building permits, code enforcement activities, library activities, human resources updates, information technology report, revenue and expenditure report, street construction status, sanitation services, highway construction status, utility operations, parks and recreation activities, as well as facility and fleet updates.*

G. Town Council to Highlight Items on the Agenda Needing Further Discussion or Comments Prior to the Regular Session.

3. **Public Comments**

*Persons may address the Town Council on any issue for up to three (3) minutes. This is the appropriate time for citizens to address the Council on any concern whether on this agenda or not. In accordance with the State of Texas Open Meeting Act, the council may not comment or deliberate such statements during this period, except as authorized by Section 551.007, Texas Government Code.*

4. **Consent Agenda**

*All matters listed under the Consent Agenda are considered to be routine by the Town Council and require little or no deliberation. There will not be a separate discussion of these items and the agenda will be enacted by one vote. If the Council expresses a desire to discuss a matter listed, that item will be removed from the consent agenda and considered separately.*

A. Consider Action to Approve the **Minutes from the February 6, 2024, Regular Town Council Meeting.**

B. Consider Action to Approve the **2024 Strategic Plan.**

C. Consider Action to Approve a **Professional Services Agreement with Atlas Municipal Services, LLC. for Inspection and Plan Review Services for the Town, in the estimated annual amount of \$100,000, and to Authorize the Town Manager to Execute the Agreement.**

D. Consider Action to Approve a **Master Professional Services Agreement with Ken-Ran Productions for Professional Entertainment Event Booking Services, in the estimated annual amount of \$100,000.**

- E. Consider Action to **Award Bid 2024-06 for Submersible Sewage Pump and Installation to Xylem Water Solutions, USA Inc. in the amount of \$63,500.**
- F. Consider Action to Approve **Retroactive Authorization to Repair the Leaking Air Relief Valve on the 14-inch Sewer Force Main in Valencia, with Rangeline Utilities in the amount of \$189,915.**
- G. Consider Action to Approve the **Quarterly Investment Report for the Period ending December 31, 2023.**
- H. Consider Action to Approve the **Unaudited Quarterly Budget Report for the Quarter Ending December 31, 2023.**
- I. Consider Action to Approve **Ordinance 1751 Providing for Residential, Irrigation, Wholesale, Well and Reuse, Commercial, and Hydrant Meter Water and Wastewater Fees and Rates; Providing for a Repealing Clause; Providing for a Severability Clause; and Providing an Effective Date.**
- J. Consider Action to Approve **Planning & Zoning Commissioner Appointments.**
- K. Consider Action to Approve **Board of Adjustment Term Expiration Extension.**
- L. Consider Action to Accept the **Annual Financial Report for Tax Increment Reinvestment Zone #3 (TIRZ #3) for the reporting period ending September 30, 2023.**
- M. Consider Action to Accept the **Annual Financial Report for Tax Increment Reinvestment Zone #4 (TIRZ #4) for the reporting period ending September 30, 2023.**
- N. Consider Action to Approve the **Transfer of the Remaining Balance in TIRZ #4 to the Town's General Fund.**
- O. Consider Action to Accept the **Annual Financial Report for Tax Increment Reinvestment Zone #5 (TIRZ #5) for the reporting period ending September 30, 2023.**
- P. Consider Action to Accept the **Annual Financial Report for Tax Increment Reinvestment Zone #6 (TIRZ #6) for the reporting period ending September 30, 2023.**
- Q. Consider Action to Approve the **Transfer of the Remaining Fund Balance in TIRZ #6 to the Town's General Fund.**

5. **Regular Items.**

- A. Hold a Public Hearing, Present, Discuss and Consider Action on **Ordinance No. 1750, Accepting and Approving an Updated Service and Assessment Plan and Assessment Roll – Additional Authorized Improvements for the Spiritas East Public Improvement District (PID).**

**Open Public Hearing:**

**Receive Public Comments:**

**Close Public Hearing:**

**Take Action on Ordinance No. 1750**

- B. Present, Discuss, and Consider Action on **Resolution No. 0220202401 Authorizing the Mayor to Approve the Additional Authorized Improvements Reimbursement Agreement and the Additional Authorized Improvements Landowner Agreement between the Town of Little Elm and MM Little Elm 43, LLC.**

- C. Hold a Public Hearing, Present, Discuss, and Consider Action on **Ordinance No. 1752 Regarding a Request to Rezone Approximately 4.9 Acres of Land, Currently Zoned Lakefront District, Generally Located North of the Intersection of Main Street and East Park Drive, within Little Elm's Town Limits, in Order to Establish a New Planned Development District, Based on Lakefront District Standards, Creating a Regulating Plan Providing a Conceptual Framework for Redevelopment of this Area.**

**Open Public Hearing:**

**Receive Public Comments:**

**Close Public Hearing:**

**Take Action on Ordinance No. 1752:**

6. **Convene in Executive Session pursuant to Texas Government Code:**

- Section 551.071 for private consultation with the Town Attorney to discuss the COVID-19 pandemic and municipal authority to respond to the COVID-19 outbreak and to seek legal advice with respect to pending and contemplated litigation and including all matters on this agenda to which the Town Attorney has a duty under the Texas Rules of Discipline and Professional conduct regarding confidential communication with the Town Council.
- Section 551.072 to discuss certain matters regarding real property.
- Section 551.074 of the Texas Government Code to discuss and deliberate personal matters to evaluate performance duties, of a public officer or employee(s).
- Section 551.076 to discuss security matters.
- Section 551.087 to discuss Economic Development.



7. **Reconvene into Open Session**

Discussion and consideration to take any action necessary as the result of the Executive Session:

- COVID-19 Pandemic and the Town's response thereto, including the consideration of an emergency declaration ordinance.
- Section 551.071 for private consultation with the Town Attorney to discuss the COVID-19 pandemic and municipal authority to respond to the COVID-19 outbreak and to seek legal advice with respect to pending and contemplated litigation and including all matters on this agenda to which the Town Attorney has a duty under the Texas Rules of Discipline and Professional conduct regarding confidential communication with the Town Council.
- Section 551.072 to discuss certain matters regarding real property.
- Section 551.074 of the Texas Government Code to discuss and deliberate personal matters to evaluate performance duties, of a public officer or employee(s).
- Section 551.076 to discuss security matters.
- Section 551.087 to discuss Economic Development.

8. **Adjourn.**

**Pursuant to the Texas Open Meeting Act, (Chapter 551, Texas Government Code), one or more of the above items will be taken or conducted in open session following the conclusion of the executive closed session.**

Persons with disabilities who plan to attend this meeting and who may need auxiliary aide of service such as interpreters for the hearing impaired, reader or large print are requested to contact the secretary at 214-975-0452 two days prior to the meeting so appropriate arrangements can be made.  
**BRAILLE IS NOT PROVIDED.**

Respectfully,

Town Secretary

**This is to certify that the above notice was posted on the Town's website this 16th day of February 2024 before 5:00 p.m.**



**Date:** 02/20/2024  
**Agenda Item #:** 1. A.  
**Department:** Administrative Services  
**Strategic Goal:** Maintain operational integrity and viability  
**Staff Contact:** Chad Hyde, Director of Community Services

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**AGENDA ITEM:**

Present and Discuss **Rewards Member Redemption Stays Tax.**

**DESCRIPTION:**

The state of Texas does not charge tax on Rewards Member Redemption Stays for hotels, allowing the local level to decide for themselves if we charge it or not. Staff will present a recommendation to Town Council.

**BUDGET IMPACT:**

There is no budget impact for this item.

**RECOMMENDED ACTION:**

Staff requests direction from Town Council.

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**Date:** 02/20/2024  
**Agenda Item #:** 1. B.  
**Department:** Administrative Services  
**Strategic Goal:** Maintain operational integrity and viability  
**Staff Contact:** Caitlan Biggs, Director of Administrative Services/Town Secretary

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**AGENDA ITEM:**

Present and Discuss the **Draft Naming and Recognition Policy.**

**DESCRIPTION:**

Town staff will present and discuss the draft Naming and Recognition Policy.

**BUDGET IMPACT:**

There is no budget impact for this item.

**RECOMMENDED ACTION:**

Staff requests direction from Town Council.

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**Attachments**

Naming and Recognition Policy\_Draft

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM, TEXAS APPROVING A NAMING AND RECOGNITION POLICY FOR STRUCTURES, CITY OWNED FACILITIES, TRAILS AND PARKS, AND PROVIDING AN EFFECTIVE DATE.**

**NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM, TEXAS:**

**SECTION 1.** The Naming and Recognition Policy for structures, town owned facilities, trails and parks, a copy of which is attached to this Resolution as **Exhibit A**, is hereby approved.

**SECTION 2.** This Resolution shall take effect from and after its date of adoption.

**DULY RESOLVED AND ADOPTED** by the Town Council of the Town of Little Elm, Texas, on this the \_\_\_\_\_ day of \_\_\_\_\_, 2024.

**TOWN OF LITTLE ELM, TEXAS**

\_\_\_\_\_  
Curtis J. Cornelious, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Caitlan Biggs, Town Secretary

\_\_\_\_\_  
Robert Brown, Town Attorney

## **PROPOSED LITTLE ELM NAMING AND RECOGNITION POLICY**

### **I. PURPOSE**

To establish uniform guidelines and procedures for the naming or renaming of Structures, Parks, Trails and other Town-Owned Facilities. The policy will also set guidelines for the acceptance of and recognition of contributions, including those not associated with naming.

### **II. NAMING CRITERIA**

#### **A. NAMING GUIDELINES**

Structures, Parks, Trails and other Town-Owned Facilities (also referred to herein as a “facility”), for naming objects, should utilize predominant characteristics related to the Town’s natural environment, physical features or history listed below.

1. Hydrological features - streams, rivers, lakes, creeks or ponds.
2. Natural features - trees, vegetation, wildlife etc.
3. Man-Made features - landmarks, street names, subdivision names, architectural features etc.
4. Significant historical events
5. Community Sponsored Name – Any resident, group of residents, entity, or organization may submit a proposal to name a park, trail, or facility after an individual, group, or community organization to honor and recognize significant contributions to the Town through public service, volunteering, or outstanding achievement (based on the process set forth in Section B. Naming Process, below).
6. Name of an individual that has made a significant contribution to the Town by meeting one of the following criteria:
  - a. The person has or will make a minimum financial contribution of \$1,000,000. This contribution may include:
    - i. The donation of land, significant financial contributions to acquire land, or land sold to the Town at a price significantly below market value that meets or exceeds the minimum financial contribution.
    - ii. The construction of the park, trail or facility, or construction services at a price significantly below market value that meets or exceed the minimum financial contribution.

- b. The person has made significant and consistent long-term contributions to the Town through service.
  - c. The person was an employee of the Town and served for at least 20 years but has not been employed by the Town within the past 5 years.
  - d. The person has served as Mayor or Town Council but shall not have been a Town Council Member/Mayor of the Town of Little Elm within the last five years.
- 7. Eagle Scout Projects are excluded from this policy.
  - 8. If a new road is built, the Town may request naming rights from the developer.

Different sections of parks and facilities may carry names that differ from that of the overall park, trail, or town-owned structure. This may include the naming of individual items in a park or facility (such as a pavilion, plaza, meeting room, etc.). The above guidelines shall still apply in choosing a name at the discretion of Town Council a lower monetary contribution may be accepted for the naming of individual items within a facility.

## **B. NAMING PROCESS**

- 1. Consideration of a Proposed Name – The proposed facility name may be presented to Council for consideration by the Department Director responsible for oversight of the facility to be named. The Director will be responsible for presenting the proposal to Council and showing how the proposed facility name complies with the Naming Guidelines. The applicant will also be requested to be present to answer any questions from Town Council.
- 2. Approval of a Proposed Name - The naming or renaming of a Facility is at the sole discretion of the Town Council and must comply with the naming guidelines. Approval of the proposed name must be approved by a 3/4 vote of the entire Town Council (i.e., if all members of the Town Council are eligible to vote, approval would require 6 out of 7 votes).

## **C. NAMING RECOGNITION**

- 1. Individual Named Structures, Parks, Trails or Town-Owned Facility - In addition to standard facility signage recognition of naming after or dedicated for an individual will include one of the following designations:
  - a. Named or Dedicated Facility – May be recognized with a plaque, not to exceed 24" x 36". Plaque may include individual's name, graphic of the individual, and a description of their contribution to the town. The plaque may be mounted to a free-standing support or an architectural feature.
  - b. Named or Dedicated Area or Item within a Facility - May be recognized with one of or a combination of the following elements:

- i. Plaque, not to exceed 24" x 24"
- ii. Paving Medallion, not to exceed 24" x 24"
- iii. Inscription on an existing feature within a facility.

Recognition shall include the person's name, years of service, and a small inscription describing the person's service to the town.

2. Community Sponsor Named Structures, Parks, Trails or Town-Owned Facility - In addition to standard facility signage recognition of naming after or dedicated for a community sponsor will include one of the following designations:
  - a. Named or Dedicated Facility – May be recognized with a plaque, not to exceed 24" x 36". Plaque may include organization's name, logo of the organization, and a description of their contribution to the town. The plaque may be mounted to a free-standing support or an architectural feature.
  - b. Named or Dedicated Area or Item within a Facility - May be recognized with one of or a combination of the following elements:
    - i. Plaque, not to exceed 24" x 24"
    - ii. Paving Medallion, not to exceed 24" x 24"
    - iii. Inscription on an existing feature within a facility.
3. If the organization wants to construct an amenity within a town-owned facility that is not included in the list above, they must request this from Town Council and provide proof of funding and a maintenance plan.

### **III. RECOGNITION OF DONATIONS NOT ASSOCIATED WITH NAMING**

#### **A. RECOGNITION OF DONATIONS**

1. Recognition of donations may be acknowledged in one of the following manners:
  - a. Single Mounted Plaque no larger than 10" x 12" (not including plaque base) - To be displayed in the facility receiving the donation or an area adjacent to the donated item.
  - b. Engraved Paver or Stone – To be grouped near the entrance or in a prominent location near the facility receiving the donation or an area adjacent to the donated item.
  - c. Inscription on a donated item, including engravings on metal.
2. Approved Wording – Wording to recognize donations must be limited to the following nomenclature:
  - a. Individual Name (May include a nickname)
  - b. Business Name
  - c. Pet Name (Where appropriate)

- d. Organization or Group Name
  - e. May include a simple acknowledgement such as “Donated by” or “Support provided by”.
  - f. May include a group descriptor such as “By the Friends and Family of”
3. Anonymous donations do not require recognition.

#### **IV. REMOVAL OF A NAME**

In the event the name of a Structure, Trail, Park or Town-owned facility has previously been granted and the name later casts a negative image on Little Elm, the name may be removed at the determination and discretion of the Town Council and approved by a 3/4 vote of the entire Town Council.

#### **V. EXCEPTIONS**

Town Council may make exceptions to this policy when it deems appropriate and approved by a 3/4 vote of the entire Town Council.





**Date:** 02/20/2024  
**Agenda Item #:** 4. A.  
**Department:** Administrative Services  
**Strategic Goal:** Maintain operational integrity and viability  
**Staff Contact:** Caitlan Biggs, Director of Administrative Services/Town Secretary

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**AGENDA ITEM:**

Consider Action to Approve the **Minutes from the February 6, 2024, Regular Town Council Meeting.**

**DESCRIPTION:**

The minutes from the February 6, 2024, regular Town Council meeting are attached for approval.

**BUDGET IMPACT:**

There is no budget impact for this item.

**RECOMMENDED ACTION:**

Staff recommends approval.

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**Attachments**

Minutes - February 6, 2024

# DRAFT

Minutes  
Town of Little Elm  
100 W Eldorado Parkway  
Little Elm, Texas 75068  
214-975-0404  
<http://www.littleelm.org>

## REGULAR TOWN COUNCIL MEETING TUESDAY FEBRUARY 6, 2024 - 6:00 p.m.

Present: Mayor Curtis J. Cornelious; Council Member Neil Blais; Mayor Pro Tem Jamell T. Johnson; Council Member Lisa G. Norman; Council Member Andrew Evans; Council Member Michel Hambrick

Absent: Council Member Tony Singh

Staff Caitlan Biggs, Director of Administrative Services/Town Secretary; Jennette Espinosa, Executive  
Present: Director; Joe Florentino, Assistant Town Manager; Matt Mueller, Town Manager; Chad Hyde, Director of Community Services; Doug Peach, Deputy Town Manager; Fred Gibbs, Director of Development Services; Jason Shroyer, Director of Public Works; Kate Graham, Assistant to the Town Manager; Kelly Wilson, Chief Financial Officer; Paul Rust, Fire Chief; Robert Brown, Town Attorney; Rodney Harrison, Police Chief; Shea Rodgers, Chief Information Officer

### 1. Call to Order Council Workshop at 6:00 p.m.

*Meeting was called to order at 6:00 p.m.*

#### A. Present and Discuss the Liaison Meeting with the Little Elm Independent School District.

*Council Member Michel Hambrick recapped her meeting with Little Elm ISD, where they requested the Town's partnership on building a natatorium and performing arts center. Council expressed interest in exploring the potential for a performing arts center.*

#### B. Present and Discuss the 2024 Strategic Plan.

*Director of Administrative Services Caitlan Biggs gave an overview of the strategic planning process. Town Council had no questions or comments. The 2024 Strategic Plan will be on the agenda for the February 20, 2024 meeting.*

#### C. Present and Discuss an Update on the Parks, Recreation, & Open Space Master Plan.

*Community Services Director Chad Hyde introduced Elizabeth with Dunaway who gave an overview the item in the attached presentation.*

- D. Present and Discuss an **Update on the Water and Sewer Rate Plan.**

*Chief Financial Officer Kelly Wilson introduced Becky Schafer with NewGen Solutions to give an overview of the item in the attached presentation.*

2. **Roll Call/Call to Order Regular Town Council Immediately Following Council Workshop.**

- A. Invocation.

*Council Member Neil Blais gave the invocation.*

- B. Pledge to Flags.

- C. Items to be Withdrawn from Consent Agenda.

*None.*

- D. Emergency Items if Posted.

*None.*

- E. Request by the Town Council for Items to be Placed on a Future Agenda for Discussion and Recognition of Excused Absences.

*Mayor Cornelious requested an excused absence for Council Member Tony Singh.*

- F. **Presentation of Monthly Updates.**

*Presentation of monthly updates from department heads: concerning law enforcement activities, municipal court, customer service, emergency medical services, fire department response, fire prevention activities, emergency management, ongoing economic development projects, building permits, code enforcement activities, library activities, human resources updates, information technology report, revenue and expenditure report, street construction status, sanitation services, highway construction status, utility operations, parks and recreation activities, as well as facility and fleet updates.*

*Town Manager Matt Mueller stated that this is the last week for Harry Potter: Forbidden Forest Experience in Little Elm Park.*

- G. Town Council to Highlight Items on the Agenda Needing Further Discussion or Comments Prior to the Regular Session.

*None.*

3. **Presentations.**

- A. Present a **Proclamation Recognizing HHS and the Annual Health for Humanity Yogathon.**

***Mayor Cornelious presented the proclamation.***

**4. Public Comments**

*Persons may address the Town Council on any issue. This is the appropriate time for citizens to address the Council on any concern whether on this agenda or not. In accordance with the State of Texas Open Meeting Act, the council may not comment or deliberate such statements during this period, except as authorized by Section 551.007, Texas Government Code.*

***Jonathan Mills, ADDRESS, discussed concerns related to the Doe Branch Estates area between public vs private roads.***

***Lisa Gallegos, ADDRESS, discussed personnel matters related to Code Enforcement.***

**5. Consent Agenda**

*All matters listed under the Consent Agenda are considered to be routine by the Town Council and require little or no deliberation. There will not be a separate discussion of these items and the agenda will be enacted by one vote. If the Council expresses a desire to discuss a matter listed, that item will be removed from the consent agenda and considered separately.*

Motion by Mayor Pro Tem Jamell T. Johnson, seconded by Council Member Lisa G. Norman **to approve the Consent Agenda.**

**Vote:** 6 - 0 - Unanimously

- A. Consider Action to Approve the **Minutes from the January 16, 2024, Regular Town Council Meeting.**
- B. Consider Action to Approve the **Joint Election Agreement and Contract for Election Services with the Denton County Elections Administrator.**
- C. Consider Action to Approve **Ordinance No. 1749 Ordering a General Election to be held on May 4, 2024.**
- D. Consider Action to Approve a **Professional Services Agreement with Freese and Nichols, Inc., for Design Study and Preliminary Design Services Related to the Westside Ground Storage Facility and Pump Station Project in the amount of \$461,000 and Authorize the Town Manager to Execute the Contract.**
- E. Consider Action to Approve **Resolution No. 0206202402 of All Matters incident and related to Declaring Expectation to Reimburse Expenditures related to Improvements and Extensions to the Town's Waterworks and Sewer System with Proceeds of Future Debt, including the Adoption of a Resolution Pertaining Thereto.**
- F. Consider Action to Approve **Resolution No 0206202401 of the Town of Little Elm, Texas, Determining the Costs of certain Additional Authorized Improvements to be Financed within the Spiritas East Public Improvement District; will approve a Preliminary Service Plan and Assessment Plan, including a Proposed Improvement Assessment Roll - Additional Authorized Improvements; Directing the filing of the Proposed Assessment Roll with the Town Secretary; and Providing for Noticing and Calling a Public Hearing on February 20, 2024, to**

**Consider an Ordinance Levying Assessments on Property located within the Spiritas Each Public Improvement District; Directing the Filing of the Proposed Assessment Roll with the Town Secretary to make available for Public Inspection; Directing Town Staff to publish and mail Notice, of said Public Hearing; and Resolving Other Matters Incident and Related Thereto.**

**6. Regular Items.**

**A. Present, Discuss, and Consider Action on a **Development Agreement between the Town of Little Elm and Twin Lakes Vet LLC.****

Motion by Council Member Andrew Evans, seconded by Council Member Neil Blais ***to approve the development agreement.***

**Vote:** 6 - 0 - Unanimously

**7. Convene in Executive Session pursuant to Texas Government Code:**

- Section 551.071 for private consultation with the Town Attorney to discuss the COVID-19 pandemic and municipal authority to respond to the COVID-19 outbreak and to seek legal advice with respect to pending and contemplated litigation and including all matters on this agenda to which the Town Attorney has a duty under the Texas Rules of Discipline and Professional conduct regarding confidential communication with the Town Council.
- Section 551.072 to discuss certain matters regarding real property.
- Section 551.074 of the Texas Government Code to discuss and deliberate personal matters to evaluate performance duties, of a public officer or employee(s).
- Section 551.076 to discuss security matters.
- Section 551.087 to discuss Economic Development.

***Council convened into Executive Session at 7:15 p.m.***

**8. Reconvene into Open Session**

Discussion and consideration to take any action necessary as the result of the Executive Session:

- COVID-19 Pandemic and the Town's response thereto, including the consideration of an emergency declaration ordinance.
- Section 551.071 for private consultation with the Town Attorney to discuss the COVID-19 pandemic and municipal authority to respond to the COVID-19 outbreak and to seek legal advice with respect to pending and contemplated litigation and including all matters on this agenda to which the Town Attorney has a duty under the Texas Rules of Discipline and Professional conduct regarding confidential communication with the Town Council.
- Section 551.072 to discuss certain matters regarding real property.
- Section 551.074 of the Texas Government Code to discuss and deliberate personal matters to evaluate performance duties, of a public officer or employee(s).
- Section 551.076 to discuss security matters.
- Section 551.087 to discuss Economic Development.

***Council reconvened into Open Session at 8:05 p.m. No action was taken.***

**9. Adjourn.**

***Meeting was adjourned at 8:05 p.m.***

Respectfully,

**Caitlan Biggs**  
Town Secretary

Passed and Approved this \_\_\_\_\_ day of \_\_\_\_\_ 2024.



**Date:** 02/20/2024  
**Agenda Item #:** 4. B.  
**Department:** Administrative Services  
**Strategic Goal:** Maintain operational integrity and viability  
**Staff Contact:** Caitlan Biggs, Director of Administrative Services/Town Secretary

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**AGENDA ITEM:**

Consider Action to Approve the **2024 Strategic Plan**.

**DESCRIPTION:**

Per the Town's Charter, the Town Council must review the adopted strategic plan every two years. The last update was approved in early 2022.

As part of the update, the Town Council met with members of the various appointed boards and commissions in November to receive feedback on the current plan. Following this session, Town Council reviewed the feedback and recommended updates to the plan.

**BUDGET IMPACT:**

There is no budget impact for this item.

**RECOMMENDED ACTION:**

Staff recommends approval.

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**Attachments**

2024 Strategic Plan

# **Town of Little Elm**



## **Strategic Vision, Goals, and Objectives**

**Updated 2024**



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## TOWN OF LITTLE ELM

### MISSION AND VISION

The Town of Little Elm is a distinct and desirable lakeside destination for all people to live and play while enjoying a safe, vibrant, and welcoming community.

#### ***VISION***



#### ***MISSION***

The Mission of the Town of Little Elm is to build on our unique lake opportunities and hometown charm, encourage diverse housing options and business opportunities, and provide an unmatched quality of life.

## **TOWN OF LITTLE ELM**

### **VISION SUPPORTING STATEMENTS**

Little Elm provides an environment that is:

- Safe
- Diverse in housing opportunities
- Inclusive

In a community that possesses...

- A strong sense of community identity
- A strong neighborhood connection
- A strong sense of aesthetics and attention to detail
- A destination for recreation and leisure activities via a lakefront district and the potential to utilize shallow-water activities (fishing, canoeing, kayaking, etc.)
- Economic and business development that serves our residents and takes advantage of our commercial corridors
- Strong partnership with school districts

And provides:

- A full range of housing options
- Services and amenities that are unique to Little Elm (lake and trail system) and encourage an active lifestyle
- Multiple entertainment and retail options
- Services and conveniences to meet the needs of our residents
- Recreational programming for all residents in quality facilities that are safe, visually appealing, and comfortable for spectators and participants

Little Elm operates in a way that is:

- Known for being friendly and courteous – demonstrates empathy in all interactions
- Easy to do business with – all processes are streamlined; the telephone is answered
- Financially responsible – controls costs and remains opportunistic in pursuing projects that promote the vision
- Cooperative and encouraging in its relationships with community organizations and churches

## SWOT ANALYSIS

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Location and lake access.</li> <li>• Residents, Council, and Town management are aligned in their desire to provide a high-quality and streamlined development process.</li> <li>• Efficient procedures, systems, and well-developed customer service.</li> <li>• Key staff has prior municipal experience.</li> <li>• Access to regional transportation and amenities.</li> <li>• Centrally located to employment centers.</li> <li>• Neighborhoods have created a strong sense of community.</li> <li>• Friendly, cooperative, and supportive staff.</li> <li>• Good working relationships within Town departments, other municipalities, and the development community.</li> <li>• Unique lakefront amenities.</li> <li>• Reputation of Little Elm as a safe place to live.</li> <li>• Powerful sense of community.</li> </ul>	<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Maximize lake access to create a unique recreation opportunity.</li> <li>• Location of Little Elm is poised for continued development.</li> <li>• Undeveloped and underdeveloped property provides a “blank slate” for new development and recreational opportunities.</li> <li>• Enhance community involvement and connections as the Town grows – enhance and create traditions that promote our image and feel.</li> <li>• Build on positive relationships in the region to take advantage of the lessons we can learn from others.</li> <li>• U.S. 380 represents an opportunity for economic development.</li> <li>• The ability to use new and available technology to streamline service delivery.</li> <li>• Capitalize on lunchtime traffic of teachers and students for restaurants.</li> <li>• Potential of a redeveloped Hilltown on schools and Town.</li> <li>• Current development trajectory for Town build-out and resulting revenues.</li> <li>• Emerging redevelopment window in some areas of Town.</li> </ul>
<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Current construction makes transportation difficult.</li> <li>• High rate of growth presents challenges to maintain our expected level of service to residents and the development community.</li> <li>• High rate of growth presents challenges to keeping up with infrastructure needs.</li> <li>• High rate of retail leakage.</li> <li>• No immediate access to major interstate traffic.</li> <li>• Geographical connectivity.</li> <li>• Known as a “commuter” community.</li> <li>• Commercial area competitiveness.</li> <li>• Historical geographic challenges and location of key intersections.</li> <li>• Transportation infrastructure challenges.</li> <li>• Lack of patience for development projects.</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Growth of community and demand for services exceeding staff’s capacity.</li> <li>• Other communities are competing for development in the region.</li> <li>• Slowdown of growth and build-out.</li> <li>• Multiple jurisdictions control U.S. 380.</li> <li>• Substandard development standards in unincorporated areas.</li> <li>• Impact of Hilltown left unresolved.</li> <li>• Recognize the impacts on public safety with growth.</li> <li>• Shifting community priorities as Town grows.</li> <li>• Ability to remain competitive with other organizations for talent.</li> <li>• Regulatory and other governmental agencies impeding Town priorities or implementing mandates.</li> </ul>

## TOWN OF LITTLE ELM

### STRATEGIC GOALS

- **Provide a safe and welcoming environment for Little Elm residents and visitors:** Little Elm will be a community that is safe and welcoming to all who live here and visit. A safe and welcoming environment is accomplished by upholding a strong sense of community with engaged residents, maintaining clean and aesthetically welcoming corridors and neighborhoods, preserving a low crime rate, and ensuring that public safety officials are courteous, professional, and ethical while providing equitable service to all.
- **Ensure strong relationships within the community and region:** Little Elm will strive to ensure positive relationships within the community and region. Strong and positive relationships are accomplished by conducting business with a high level of integrity, promoting open communication, transparency, and partnerships, and displaying a high level of courteousness in all of our interactions. We will operate with a partner mentality with all entities with which we share a common interest.
- **Maximize community recreation and leisure activities:** Little Elm will maximize recreational and leisure activities for the region. Recreational and leisure activities will be provided for a broad range of socio-economic and interest groups, focusing on maximizing the unique shoreline recreation opportunities on Lewisville Lake.
- **Maintain operational integrity and viability:** Little Elm will ensure the Town's financial and operational processes' integrity and long-term viability. Little Elm's operational and financial soundness will be ensured by maintaining a competitive tax rate, aggressively recruiting selective retail and small business economic development prospects, planning for long-term financial obligations, and maintaining a level of operational efficiency.
- **Promote and expand Little Elm's identity:** Maintain Little Elm's distinctive look and high development standards that provide vibrant, high-quality neighborhoods and development. Create a sense of place and brand identity that extends beyond our borders.
- **Ensure excellence in public services while keeping up with the growth in the community:** Little Elm will ensure that high-quality public services are maintained by addressing growth needs in infrastructure and by attracting, retaining, equipping, and empowering a workforce that delivers excellent service for an excellent value.

## TOWN OF LITTLE ELM

### STRATEGIC GOALS AND LONG-TERM OBJECTIVES

#### **Provide a safe and welcoming environment for Little Elm residents and visitors:**

Little Elm will be a community that is safe and welcoming to all who live here and visit. A safe and welcoming environment is accomplished by upholding a strong sense of community with an engaged residents, maintaining clean and aesthetically welcoming corridors and neighborhoods, preserving a low crime rate, and ensuring that public safety officials are courteous, professional, and ethical while providing equitable service to all.

#### **Long Term Objectives**

- Maintain safe and effective walkways and roadways.
- Maintain and expand relationships between the Police Department and resident groups.
- Ensure continuity of dispatch solution.
- Provide quality community events that attract visitors and facilitate a sense of belonging within the community.
- Continue to provide opportunities for residents to volunteer and be involved in achieving our strategic goals.
- Ensure a strong focus on community-oriented policing, public safety, public outreach and education, and servant leadership.
- Embrace the community's diversity and operate in a way that provides equitable service to all residents.
- Build Fire Station 4 and northwest Police Substation to accommodate growth.
- Explore partnerships for public safety and animal facilities.
- Create and implement a special events policy.

**Ensure strong relationships within the community and region:** Little Elm will strive to ensure positive relationships within the community and region. Strong and positive relationships are accomplished by conducting business with a high level of integrity, promoting open communication, transparency, partnerships, and displaying a high level of courteousness in all of our interactions. We will operate with a partner mentality with all entities with which we share a common interest.

### **Long Term Objectives**

- Provide opportunities and methods for residents to engage with and be involved in the Town.
- Operate all Town activities in an open, transparent manner.
- Maintain strong relationships with neighborhood associations and civic groups.
- Be an equitable partner in mutual aid to neighboring communities.
- Maintain a culture of friendly customer service and servant leadership.
- Continually identify opportunities for regional shared services, expanding them when possible.
- Operate as a service provider for neighboring communities and districts where possible.
- Participate in meetings and projects with the North Texas Council of Governments, county, state, federal agencies, and neighboring cities.
- Promote events for regional participation with our neighbors and maximize cross-promotional opportunities for development.
- Participate in leadership in professional organizations.
- Explore collaborative opportunities with the three school districts that exist within Town limits.
- Continue to promote and expand digital services to enhance access to Town government functions online.
- Maximize social media and communications outreach.
- Create more opportunities for youth involvement.
- Create more opportunities for veterans to be involved in the Town.
- Create and implement a communications and engagement plan.

**Maximize community recreation and leisure activities:** Little Elm will maximize recreational and leisure activities for the region. Recreational and leisure activities will be provided for a broad range of socio-economic and interest groups, focusing on maximizing the unique shoreline recreation opportunities on Lewisville Lake.

#### **Long Term Objectives**

- Maintain and update the Parks Master Plan.
- Maintain a mutually beneficial relationship with the Corps of Engineers.
- Continue development of a Town-wide trail system to link between recreational amenities.
- Provide inclusive recreational opportunities for various of socio-economic groups, ages, and interests.
- Utilize new technology and products to provide innovative services and amenities in the Parks system.
- Continue developing and maximizing The Cove at the Lakefront® and other lakefront recreation and leisure opportunities.
- Develop and maintain recreation infrastructure unique to North Texas.
- Ensure quality of youth sports facilities and park maintenance.
- Maintain positive relationships with user groups.
- Explore partnership opportunities for RV Park, camping, and Cottonwood Park development.
- Complete improvements in Cottonwood Park Phase 1 and plan for future phases.
- Create and implement a plan for enhancements for Little Elm Park.
- Seek a partner to develop an event/hospitality center adjacent to The Rec at the Lakefront™.
- Develop and build Lakeside Sports Complex.
- Ensure completion of The Lawn at the Lakefront™.
- Conduct a feasibility study for Doe Branch Park.
- Explore options to enhance streetscape and pedestrian connectivity in The Lakefront™ District.



**Maintain operational integrity and viability:** Little Elm will ensure the Town's financial and operational processes' integrity and long-term viability. Little Elm's operating and financial soundness will be ensured by maintaining a competitive tax rate, aggressively recruiting selective retail and small business economic development prospects, planning for long-term financial obligations, and maintaining operational efficiency.

### **Long Term Objectives**

- Maintain a competitive tax rate.
- Ensure that the Town is known for being transparent and flexible to work with in the development process.
- Maintain and leverage knowledge of unique retail and expand into the North Texas market.
- Recruit new businesses and encourage future development phases in the Lakefront District.
- Target business development to provide dual revenue streams (property tax and sales tax) that support and increase the job base.
- Activate the remote-work residents to engage with opportunities in the business community.
- Maintain a strong bond rating.
- Maintain the fleet replacement fund.
- Work to establish a capital replacement fund for large-cost facility maintenance items.
- Maintain strong reserves.
- Use fund balance for one-time expenses.
- Promote a financially responsible culture and continually look for operational efficiencies that provide high value.
- Develop and implement plans to develop the northwest corner of Town and the 380 corridor.
- Ensure completion of the Lakefront District Phase II multi-use development.
- Evaluate The Lakefront™ District boundaries for future development.
- Identify new revenue streams.

**Promote and expand Little Elm's identity:** Maintain Little Elm's distinctive look and high development standards that provide vibrant, high-quality neighborhoods and development. Create a sense of place and brand identity that extends beyond our borders.

#### **Long Term Objectives**

- Continue aggressively branding Little Elm.
- Continue to grow The Lakefront™ District as a tourism destination.
- Maintain a “hometown” feel as the Town continues to grow.
- Update and maintain the Comprehensive Plan.
- Maintain neighborhood and commercial integrity.
- Promote a full range of housing options.
- Maintain high-quality aesthetics for corridors and entryways.
- Collaborate with other entities to deliver and promote a unified brand message.
- Expand regional marketing of Little Elm's activities.
- Provide funds to continue gateway signage as expansion continues.
- Maintain consistent standards for design and building inspection.
- Review and update the subdivision and zoning ordinances and use chart to better support the Strategic Plan and Town Council vision.

**Ensure excellence in public services while keeping up with the growth in the community:** Little Elm will ensure that high-quality public services are maintained by addressing growth needs in infrastructure and by attracting, retaining, equipping, and empowering a workforce that delivers excellent service for an excellent value.

### **Long Term Objectives**

- Maintain a competitive market-based compensation and incentives plan.
- Offer training to provide employees with a culture of continuous learning and development opportunities.
- Maintain a fun and friendly work environment.
- Promote and maintain a values-based culture of servant leadership.
- Maintain the Town's multi-year staffing plan to accommodate growth.
- Implement an Asset Management System.
- Maintain annual maintenance and replacement program.
- Ensure adequate planning when adding new infrastructure.
- Conduct a long-term facilities study.
- Review and update the Town's Hiring Policy.



**Date:** 02/20/2024  
**Agenda Item #:** 4. C.  
**Department:** Finance  
**Strategic Goal:** Ensure excellence in public services while keeping up with the growth in the community  
**Staff Contact:** Fred Gibbs, Director of Development Services

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**AGENDA ITEM:**

Consider Action to Approve a **Professional Services Agreement with Atlas Municipal Services, LLC. for Inspection and Plan Review Services for the Town, in the estimated annual amount of \$100,000, and to Authorize the Town Manager to Execute the Agreement.**

**DESCRIPTION:**

The Town utilizes these services for Construction Plan Review & Inspections. This agreement will support our customer service initiative to review plans within 10 days.

Expenditures for this service are approaching expenditure authority, and staff anticipates continuing services as needed.

**BUDGET IMPACT:**

Funding for this expenditure have been identified in the General Fund current approved budget. Funds will be committed at the issuance of a purchase order.

**RECOMMENDED ACTION:**

Staff recommends approval.

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**Attachments**

PSA - Plan Review - Atlas Municipal Services

# **Town of Little Elm, Texas**

## **Professional Services Agreement**

This Agreement is made, by and between the Town of Little Elm, Texas, a Texas home-rule municipality (hereinafter referred to as the "Owner") and [Atlas Municipal Services LLC](#), (hereinafter referred to as the "Consultant") for building, mechanical, electrical, and plumbing plan review and inspection services (hereinafter referred to as the "Project"). In consideration of the premises, covenants and mutual promises contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Owner and the Consultant hereby agree as follows:

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### **ARTICLE I: CONTRACT & CONTRACT DOCUMENTS**

#### **1.1 THE CONTRACT**

The Contract between the Owner and the Consultant, of which this Agreement is a part, consists of the Contract Documents. It shall be effective on the date this Agreement is executed by the last Party to execute it.

#### **1.2. THE CONTRACT DOCUMENTS**

The Contract Documents consist of this Agreement, the Solicitation, Requirements and Instructions to Bidders/Proposers, the Specifications, terms and conditions, Attachments, Maps, Drawings, Scope of Service, Time Line, all Change Orders issued hereafter, any other amendments hereto executed by the parties hereafter, together with the following (if any):

Documents not enumerated in this Paragraph 1.2.1 are not Contract Documents and do not form part of this Agreement.

### **ARTICLE 2: RECITALS**

- 2.1 The Town desires to have the Consultant develop the program and provide necessary services to develop the same ("PROJECT"); and
- 2.2 The Consultant has the knowledge, ability and expertise to provide such services; and
- 2.3 The Town desires to engage the services of Consultant, as an independent Consultant and not as an employee, to provide services as set forth herein.

### **ARTICLE 3: TERM / TERMINATION**

#### **3.1 TERM**

The term of this Agreement shall begin on the date of its execution by all Parties. This Agreement shall continue until Consultant completes the services required herein to the satisfaction of the Town, unless sooner terminated as provided herein.

#### **3.2 TERMINATION**

This Agreement may be suspended or terminated by either Party with or without cause at any time by giving written notice to the other Party. In the event suspension or termination is without cause, payment to the Consultant, in accordance with the terms of this Agreement, will be made on the basis of services reasonably determined by Town to be satisfactorily performed to the date of suspension or termination. Such payment will be due upon delivery of all instruments of service to Town.

In the event that the Town requires a modification of this Agreement with Consultant, and in the event the Parties fail to agree upon a modification of this Agreement, the Parties shall have the option of terminating this Agreement. Payment to Consultant shall be made by the Town in accordance with the

terms of this Agreement, for the services mutually agreed upon by the Parties to be properly performed by the Consultant prior to such termination date.

#### **ARTICLE 4: SCOPE OF SERVICES**

##### **4.1 SCOPE**

The following services, when authorized in writing by a Notice to Proceed from the Town, shall be performed by Consultant in accordance with the Town's requirements and as set forth in the attached Exhibit A, Scope of Services:

SFR plan review and supplemental building inspection services.

If there is a conflict between the above quoted subjects and Exhibit A or B, then such conflict shall be resolved pursuant to the provisions of Section 10.9, below.

##### **4.2 AUTHORIZED AGENT**

All work performed by the Consultant will be performed under this Agreement, signed by a duly authorized agent of the Town as approved by resolution of the Town Council of the Town of Little Elm, Texas, and the designated authorized agent for the Consultant.

#### **ARTICLE 5: COMPENSATION / PAYMENT TERMS AND CONDITIONS**

5.1 Compensation for the performance of Professional Services described herein shall be paid to Consultant by the Town in a total amount not to exceed one hundred thousand dollars (\$100,000) which shall accrue and be payable as provided in Sections 5.1 and 5.2 hereof.

5.2 Work will be performed at the rates set forth in Exhibit A –Fee Schedule, which is attached hereto and incorporated herein by reference, or as otherwise provided in negotiated fee schedules approved within this Agreement, if any.

5.3 Consultant payment for work under this Agreement shall be made in installments billed not more frequently than once each month upon receipt of invoices from the Consultant. If the Town fails to make any payment due the Consultant within thirty (30) days after receipt of Consultant's invoice, the amounts due the Consultant will be increased at the rate of 1.5% per month from said thirtieth day, unless there is a good faith refusal by the Town to pay. Payment shall be remitted to Consultant by Town as instructed on invoices.

#### **ARTICLE 6: TIME FOR COMPLETION**

6.1 The Consultant's services and compensation under this Agreement have been agreed to in anticipation of orderly and continuous progress of the Assigned Project(s) through completion of the project(s). Specific periods of time for rendering services are set forth in any work order to this Agreement, by which times defined services are to be completed.

6.2 If the Town fails to give prompt written authorization to proceed with any phase of services after completion of the immediately preceding phase, the Consultant shall be entitled to equitable adjustment of rates and amounts of compensations to reflect reasonable costs incurred by Consultant as a result of the delay or changes in the various elements that comprise such rates of compensation, but in no event shall such compensation exceed the scope of services schedule of maximum payment unless a written amendment to this Agreement is executed between the Parties.

#### **ARTICLE 7: INDEMNIFICATION**

7.1 THE CONSULTANT AGREES, TO THE FULLEST EXTENT PERMITTED BY LAW, TO INDEMNIFY AND HOLD HARMLESS THE TOWN, ITS OFFICERS, AGENTS, SERVANTS AND EMPLOYEES (HEREINAFTER COLLECTIVELY REFERRED TO AS "INDEMNITEES") FROM AND AGAINST SUITS, ACTIONS, CLAIMS, LOSSES, ANY DAMAGE, LIABILITY, AND FROM AND AGAINST ANY COSTS AND EXPENSES, INCLUDING, IN PART, ATTORNEY'S FEES INCIDENTAL TO THE DEFENSE OF SUCH SUITS, ACTIONS CLAIMS, LOSSES, DAMAGES OR LIABILITY ON ACCOUNT

OF INJURY, DISEASE, SICKNESS, INCLUDING DEATH, TO ANY PERSON OR DAMAGE TO PROPERTY INCLUDING, IN PART, THE LOSS OF USE RESULTING THEREFROM, ARISING FROM ANY NEGLIGENT ACT, ERROR OR OMISSION OF THE CONSULTANT, ITS OFFICERS, EMPLOYEES, SERVANTS, AGENTS OR SUBCONTRACTORS, OR ANYONE ELSE UNDER THE CONSULTANT'S DIRECTION AND CONTROL, AND ARISING OUT OF, RESULTING FROM, OR CAUSED BY THE PERFORMANCE OR FAILURE OF PERFORMANCE OF ANY WORK OR SERVICES UNDER THIS AGREEMENT, OR FROM CONDITIONS CREATED BY THE PERFORMANCE OR NON-PERFORMANCE OF SAID WORK OR SERVICES. IN THE EVENT ONE OR MORE OF THE INDEMNITEES IS DETERMINED BY A COURT OF LAW TO BE JOINTLY OR DERIVATIVELY NEGLIGENT OR LIABLE FOR SUCH DAMAGE OR INJURY, THE CONSULTANT SHALL BE OBLIGATED TO INDEMNIFY INDEMNITEES AS PROVIDED HEREIN ON A PROPORTIONATE BASIS IN ACCORDANCE WITH THE FINAL JUDGMENT, AFTER ALL APPEALS ARE EXHAUSTED, DETERMINING SUCH JOINT OR DERIVATIVE NEGLIGENCE OR LIABILITY. THIS INDEMNIFICATION IS SUBJECT TO THE LIMITATIONS IN TEXAS LOCAL GOVERNMENT CODE, § 271.904(A) AND TEXAS CIVIL PRACTICE AND REMEDIES CODE, § 130.002(B), AS SAME MAY BE APPLICABLE TO CONSULTANT AS A MATTER OF LAW.

**7.02** NOTHING CONTAINED HEREIN SHALL CONSTITUTE A WAIVER OF GOVERNMENTAL IMMUNITY IN FAVOR OF ANY PARTY.

**7.03** CONSULTANT AGREES THAT IT IS AN INDEPENDENT CONTRACTOR AND NOT AN AGENT OF THE TOWN, AND THAT CONSULTANT IS SUBJECT, AS AN EMPLOYER, TO ALL APPLICABLE UNEMPLOYMENT COMPENSATION STATUTES, SO FAR AS TO RELIEVE THE TOWN OF ANY RESPONSIBILITY OR LIABILITY FROM TREATING CONSULTANT'S EMPLOYEES AS EMPLOYEES OF TOWN FOR THE PURPOSE OF KEEPING RECORDS, MAKING REPORTS OR PAYMENTS OF UNEMPLOYMENT COMPENSATION TAXES OR CONTRIBUTIONS. CONSULTANT FURTHER AGREES TO INDEMNIFY AND HOLD THE TOWN HARMLESS AND REIMBURSE IT FOR ANY EXPENSES OR LIABILITY INCURRED UNDER SAID STATUTES IN CONNECTION WITH EMPLOYEES OF CONSULTANT.

**7.04** CONSULTANT SHALL DEFEND AND INDEMNIFY AND HOLD THE TOWN HARMLESS FROM ANY AND ALL CLAIMS, SUITS OR LIENS BASED UPON OR ALLEGED TO BE BASED UPON THE NON-PAYMENT OF LABOR, TOOLS, MATERIALS, EQUIPMENT, SUPPLIES, TRANSPORTATION AND MANAGEMENT COSTS INCURRED BY CONSULTANT IN PERFORMING THIS AGREEMENT.

## **ARTICLE 8: INSURANCE**

### **8.1 Insurance**

The Consultant shall provide and maintain insurance as listed in the insurance requirements document.

## **ARTICLE 9: DEFAULT**

In the event Consultant fails to comply or becomes disabled and unable to comply with the provisions of this Agreement as to the quality or character of the service or time of performance, and the failure is not corrected within thirty (30) days after written notice by Town to Consultant, Town may, at its sole discretion without prejudice to any other right or remedy.

- (a) Terminate this Agreement and be relieved of the payment of any further consideration to Consultant except for all work determined by the Town to be satisfactorily completed prior to termination. Payment for work satisfactorily completed shall be for actual costs, including reasonable salaries and travel expenses of Consultant to and from meetings called by the Town at which Consultant is required to attend, but shall not include any loss of profit of Consultant. In the event of such termination, the Town may proceed to complete the services in any manner deemed proper by the Town, either by the use of its own forces or by resubmitting to others. Consultant agrees that any costs incurred to complete the services herein provided for may be deducted and paid by the Town out of such monies as may be due or that may thereafter become due to Consultant under and by virtue of this Agreement.

- (b) The Town may, without terminating this Agreement or taking over the services, furnish the necessary materials, equipment, supplies and/or help necessary to remedy the situation, at the expense of Consultant.

## **ARTICLE 10: MISCELLANEOUS**

### **10.1 Reuse of Documents:**

All documents including Maps, Plans and Specifications provided or furnished by the Consultant pursuant to this Agreement are instruments of service; and Consultant shall retain ownership and property interest therein whether or not the work is completed. The Town may make and retain copies of any plans or specifications provided under this Agreement for the use by Town and others; such documents are not intended or suitable for reuse by Town or others on extension of the Project or on any other Project. Any such reuse without written approval or adaptation by the Consultant for the specific purpose intended will be at the Town's sole risk and without liability to the Consultant.

### **10.2 Entire Agreement.**

This Agreement constitutes the sole and only Agreement of the Parties and supersedes any prior understandings or written or oral agreements between the Parties with respect to this subject matter.

### **10.3 Assignment.**

Neither this Agreement nor any duties or obligations under it shall be assignable by Consultant without the prior written consent of the Town. In the event of an assignment by Consultant to which the Town has consented, the assignee or the assignee's legal representative shall agree in writing with the Town to personally assume, perform, and be bound by all the covenants, obligations, and agreements contained in this Agreement.

### **10.4 Adjustments in Services/Amendment.**

This Agreement may be amended by the mutual written agreement of the Parties. Consultant shall not make any claims for extra services, additional services or changes in the services without a written agreement with the Town prior to the performance of such services.

### **10.5 Governing law.**

The validity of this Agreement and any of its terms or 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 in Denton County, Texas.

### **10.6 Notices.**

All notices required by this Agreement shall be in writing and addressed to the following, or such other Party or address as either Party designates in writing, by certified mail, postage prepaid or by hand delivery:

#### **Town of Little Elm**

Purchasing  
100 W. Eldorado Pkwy.  
Little Elm, TX 75068  
214-975-0411  
[purchasing@littleelm.org](mailto:purchasing@littleelm.org)

#### **Atlas Municipal Services LLC**

Lee Swain  
10259 Winterhaven Lane  
Aubrey, TX 76227  
940-305-3688  
[lswain@atlas municipal.net](mailto:lswain@atlas municipal.net)



## **10.7 Legal construction.**

In the event any one or more of the provisions contained in this Agreement shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

## **10.8 Successors and Assigns.**

- (a) The Town and Consultant each is hereby bound and the partners, successors, executors, administrators, legal representatives and assigns of Town and Consultant are hereby bound to the other Party to this Agreement and to the partners, successors, executors, administrators, legal representatives and assigns of such other Party in respect of all covenants and obligations of this Agreement.
- (b) Neither the Town nor the Consultant may assign, sublet, or transfer any rights under or interest (including, but without limitation, moneys that are due or may become due) in this Agreement without the written consent of the other Party, except to the extent that any assignment, subletting or transfer is mandated by law or the effect of this limitation may be restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.
- (c) Nothing in this Agreement shall be construed to create, impose or give rise to any duty owed by the Consultant to any Consultant, subcontractor, supplier, other person or entity, or to any surety for or employee of any of them, or give any rights in or benefits under this Agreement to anyone other than the Town and the Consultant.

## **10.9 Conflict.**

If a conflict exists between this Agreement, and an Exhibit, the Solicitation, and/or the Response, then such conflicts shall be resolved as follows:

- (a) If a conflict exists between this Agreement and an Exhibit, the Solicitation, or the Response, then this Agreement shall control.
- (b) If a conflict exists between the Response and an Exhibit, the Exhibit shall control.
- (c) If a conflict exists between the Response and the Solicitation, the Solicitation shall control.

## **10.10 Severability**

Any provision or part of this Agreement that is held to be void or unenforceable under any law or regulation or by a court of competent jurisdiction shall be deemed stricken and all remaining provisions shall continue to be valid and binding upon the Town and the Consultant, who agree that this Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

## **10.11 Captions**

The captions used in this Agreement are for convenience only and shall not affect in any way the meaning or interpretations of the provisions set forth herein.

## **10.12 Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on this the \_\_\_\_ day of \_\_\_\_\_, 2024.

**TOWN OF LITTLE ELM**

**CONSULTANT**

\_\_\_\_\_  
Matt Mueller, Town Manager

  
\_\_\_\_\_  
Atlas Municipal Services, LLC

Exhibit A: Cost Proposal & Fee Schedule

## TEXAS FEE SCHEDULE

<b>Commercial Building, Mechanical, Electrical, and Plumbing Plan Review. Includes Apartments</b>	
<b>Project Valuation</b>	<b>Fee</b>
\$1.00 to \$10,000	\$40.00
\$10,001 to \$25,000	\$61.63 for the first \$10,000 plus \$4.76 for each additional \$1,000; or fraction thereof, to and including \$25,000
\$25,001 to \$50,000	\$133.03 for the first \$25,000 plus \$3.43 for each additional \$1,000; or fraction thereof, to and including \$50,000
\$50,001 to \$100,000	\$218.88 for the first \$50,000 plus \$2.38 for each additional \$1,000; or fraction thereof, to and including \$100,000
\$100,001 to \$500,000	\$337.88 for the first \$100,000 plus \$1.90 for each additional \$1,000; or fraction thereof, to and including \$500,000
\$500,001 to \$1,000,000	\$1,099.46 for the first \$500,000 plus \$1.62 for each additional \$1,000; or fraction thereof, to and including \$1,000,000
\$1,000,001 and up	\$1,906.98 for the first \$1,000,000 plus \$1.07 for each additional \$1,000; or fraction thereof

<b>Commercial Building, Mechanical, Electrical, and Plumbing Inspections. Includes Apartments.</b>	
<b>Project Valuation</b>	<b>Fee</b>
\$1.00 to \$10,000	\$70.00
\$10,001 to \$25,000	\$99.67 for the first \$10,000 plus \$7.70 for each additional \$1,000; or fraction thereof, to and including \$25,000
\$25,001 to \$50,000	\$215.19 for the first \$25,000 plus \$5.56 for each additional \$1,000; or fraction thereof, to and including \$50,000
\$50,001 to \$100,000	\$354.06 for the first \$50,000 plus \$3.85 for each additional \$1,000; or fraction thereof, to and including \$100,000
\$100,001 to \$500,000	\$546.56 for the first \$100,000 plus \$3.03 for each additional \$1,000; or fraction thereof, to and including \$500,000
\$500,001 to \$1,000,000	\$1,778.56 for the first \$500,000 plus \$2.61 for each additional \$1,000; or fraction thereof, to and including \$1,000,000
\$1,000,001 and up	\$3,084.81 for the first \$1,000,000 plus \$1.73 for each additional \$1,000; or fraction thereof

<b>One &amp; Two family Building, Mechanical, Electrical, and Plumbing Inspection. Plan Review Included</b>	
<b>Square Footage</b>	<b>Fee</b>
0 to 1500 square feet	\$750.00
1501 to 10,000 square feet	\$750.00 for the first 1500 square feet plus \$0.35 for each additional square foot up to and including 10,000 square feet
Over 10,000 square feet	\$3,700.00 for the first 10,000 square feet plus \$0.11 for each additional square foot over 10,000 square feet
<b>SFR Plan Review \$98.50 Per Review</b>	
<b>Supplemental Inspections</b>	<b>\$65.00 Per Address/Building Unit</b>
<b>Generators/Solar Panels</b>	<b>\$125.00-Plan Review and Inspection</b>

<b>OSSF Systems</b>	
<b>Service Description</b>	<b>Fee</b>
<b>OSSF Plan Review and Inspections</b>	<b>\$400.00 Per System</b>



**Date:** 02/20/2024  
**Agenda Item #:** 4. D.  
**Department:** Finance  
**Strategic Goal:** Maximize community recreation and leisure activities  
**Staff Contact:** Chad Hyde, Director of Community Services

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**AGENDA ITEM:**

Consider Action to Approve a **Master Professional Services Agreement with Ken-Ran Productions for Professional Entertainment Event Booking Services, in the estimated annual amount of \$100,000.**

**DESCRIPTION:**

The Town hosts numerous special events annually, which include musical entertainment for residents and attendees. The entertainers are contracted through a third-party professional booking firm, which solicits and secures the entertainers for each event on behalf of the Town. Ken-Ran Productions has the professional network connections and ability to solicit and contract with the specific type of entertainment desired for each Town-sponsored event. As specific events are planned, Staff will engage with Ken-Ran Productions and a separate Entertainment Contract will be issued to accompany this master agreement.

**BUDGET IMPACT:**

Funds have been budgeted in the Parks and Recreation Fund and Lakefront Marketing for these services for the various events.

**RECOMMENDED ACTION:**

Staff recommends approval.

---

**Attachments**

Master Agreement

**TOWN OF LITTLE ELM, TEXAS**  
**MASTER AGREEMENT FOR PROFESSIONAL**  
**ENTERTAINMENT EVENT BOOKING SERVICES**

This Agreement is made by and between the Town of Little Elm, Texas, a Texas home-rule municipality (hereinafter referred to as the "Owner") and [Glenn Brooks Kendall dba Ken-Ran Productions](#), (hereinafter referred to as the "Consultant") for Professional Entertainment Event Booking Services to the Town of Little Elm for various projects located within Denton County, Texas in accordance with the provisions in this Master Agreement for Professional Services ("Agreement"). In consideration of the premises, covenants and mutual promises contained in this Agreement, and in consideration, the receipt and sufficiency of which is hereby acknowledged, the Owner and the Consultant hereby agree as follows:

---

**ARTICLE I: CONTRACT & CONTRACT DOCUMENTS**

**1.1 THE CONTRACT**

1.1.1 The Contract between the Owner and the Consultant, of which this Agreement is a part, consists of the Contract Documents.

**1.2. THE CONTRACT DOCUMENTS**

1.2.1 The Contract Documents consist of this Agreement, the Request for Qualifications, Requirements and Instructions to Respondents, Specifications, Terms and Conditions, and each Entertainment Contract issued under this Agreement, including all documents pertaining to each Entertainment Contract.

**ARTICLE 2: TERM / TERMINATION**

**2.1 TERM**

2.1 The term of this Agreement shall be for twelve (12) months, with up to four (4), automatic, twelve (12) month renewals, a period of five years. This Agreement shall continue for the duration of the term, unless sooner terminated as provided herein.

**2.2 TERMINATION**

2.2.1 This Agreement may be suspended or terminated by either Party with or without cause at any time by giving a written 30 day notice to the other Party. In the event suspension or termination is without cause, payment to the Consultant, in accordance with the terms of this Agreement, will be made on the basis of services reasonably determined by Town to be satisfactorily performed to the date of suspension or termination. Such payment will be due upon delivery of all instruments of service to Town.

2.2.2 In the event that the Town requires a modification of this Agreement with Consultant, and in the event the Parties fail to agree upon a modification of this Agreement, the Parties shall have the option of terminating this Agreement. Payment to Consultant shall be made by the Town in accordance with the terms of this Agreement, for the services mutually agreed upon by the Parties to be properly performed by the Consultant prior to such termination date.

**ARTICLE 3. SCOPE OF SERVICES**

**3.1 ENTERTAINMENT CONTRACTS**

3.1 At Owner's request and in Owner's sole discretion, Owner may engage from time to time the Consultant to perform professional services in connection with a Project (as defined in Section 7-2, below). Consultant agrees to perform such services in accordance with the terms and

conditions of this Agreement and with any individual Entertainment Contract. Owner reserves the right, in its sole discretion, to hire other consultants for any reason and for any purpose. In performing its professional services hereunder and in connection with each Project and Entertainment Contract, Consultant shall follow the degree of professional standard of care and skill set forth in Section 6.3 of this Agreement.

### **3.2 SERVICES PROVIDED**

- 3.2.1 The Services to be provided by Consultant to Owner shall be as mutually agreed to in a separate written Entertainment Contract executed by Owner and Consultant. [A sample Entertainment Contract is attached hereto as Exhibit B.](#) Accordingly, whenever used in this Agreement, the term Professional Services shall mean those services specified in this Agreement and in an Entertainment Contract issued pursuant to this Agreement and all related work. Each Entertainment Contract shall include, directly or by reference, appropriate cost and pricing data and such other documentation as required by the Owner. Each Entertainment Contract shall be subject to and integrated into this Agreement, and the terms of this Agreement are incorporated into and made a part of each Entertainment Contract by reference to this Agreement. All Professional Services shall be performed by the employees of Consultant or Consultant's officers, employees, agents, representatives, sub-contractors, or sub-consultants unless otherwise provided in an Entertainment Contract. Consultant shall be wholly and solely responsible for any Professional Services or subcontracted Professional Services provided by any officer, employee, agent, representative, sub-contractors or sub-consultants of Consultant (collectively, Consultant's Personnel').

## **ARTICLE 4. COMPENSATION**

### **4.1 CONSULTANT FEES**

- 4.1.1 Compensation by the Owner to Consultant for Professional Services shall be on a fixed fee or a time and materials basis as specified in the applicable Entertainment Contract. All time shall be billed at Consultant's labor billing rates agreed upon by Owner. Said rates shall only be adjusted in writing as may be agreed to between the Parties. Owner may also reimburse Consultant for any Direct Expenses (as defined in Article 7) reasonably and necessarily incurred by Consultant in performing Professional Services under this Agreement. This Agreement contemplates that alternate compensation may be proposed by either Party on a case by case basis, including fixed price or time and materials tasks, or negotiated rates which, if applicable, shall be specified in the Entertainment Contract.

### **4.2 SUBCONTRACTED SERVICES**

- 4.2.1 When necessary, subcontracted services shall be procured by Consultant in connection with the Professional Services provided pursuant to this Agreement, subject to Owner's prior written consent. Consultant shall issue subcontracts for such subcontracted services in Consultant's own name. Consultant shall be compensated for subcontracted services for the actual amount invoiced by the subcontractor. Except as set forth in this Agreement, neither Consultant nor Owner may assign, sublet, transfer, or otherwise convey (together, an "Assignment"), and neither Consultant nor Owner has the power to enter into an Assignment of any or all of the rights, duties and obligations or interest in this Agreement without the prior written consent of the other party. Unless specifically stated to the contrary in any written consent to an Assignment, no Assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

## **ARTICLE 5. TERMS OF PAYMENT**

### **5.1 PAYMENT**

- 5.1.1 Consultant shall submit to Owner invoices for Professional Services and any compensation due under Section 2. Each invoice shall be accompanied by such documentation as Owner may reasonably require to verify the accuracy of the invoice, and the sum of all prior

payments made under this Agreement in connection with each Entertainment Contract. Payment to Consultant shall be made within thirty (30) days of receipt of such invoice and accompanying documentation, subject to Owner's right to withhold payment pursuant to Section 3-2 of this Agreement. Consultant shall not be entitled to any compensation for any services or work not actually performed or for any lost profits as a result of any abandonment or suspension of any work by the Owner.

- 5.1.2 Any provision hereof to the contrary notwithstanding, Owner shall not be obligated to make payment to Consultant hereunder if:
  - 5.1.2.1 Consultant is in default of any of Consultant's obligations under this Agreement or any Entertainment Contract or any other documents in connection with a Project (and payment may be withheld to the extent of any such default);
  - 5.1.2.2 Any part of such payment is attributable to any services of Consultant which are not performed in accordance with this Agreement;
  - 5.1.2.3 Consultant has failed to make payment promptly to subcontractors or sub-consultants or other third parties used by Consultant in connection with Consultant's services hereunder for which the Owner has made payment to Consultant; or
  - 5.1.2.4 If Owner, in its good faith judgment and after consultation with Consultant, determines that the portion of the compensation then remaining unpaid will not be sufficient to complete the Professional Services in connection with a Entertainment Contract, no additional payments will be due Consultant hereunder unless and until Consultant performs a sufficient portion of the Professional Services so that such portion of the compensation remaining unpaid is determined by Owner to be sufficient to complete the Professional Services.

## **5.2 DISPUTED BILLING**

- 5.2.1 In the event Owner disputes or contests any invoice submitted by Consultant under this Agreement, Owner shall nevertheless pay any undisputed amounts in accordance with Section 5.1. Any dispute shall be resolved by dispute resolution procedures set forth in Section 8-2.

## **5.3 BILLING ADDRESS**

- 5.3.1 Consultant shall submit monthly invoice and necessary and reasonable accompanying documentation to the following address.

**Physical Address:**

Town of Little Elm  
Accounts Payable  
100 West Eldorado Parkway  
Little Elm, Texas 75068

**Electronic Submittal:**

accounts.payable@littleelm.org

- 5.3.2 Invoices shall include the project name, purchase order number, Entertainment Contract number and be individually numbered.
- 5.3.3 Billing Period shall be for a calendar month and all work submitted shall be for the entire month ending on the 30<sup>th</sup> or 31<sup>st</sup> respectfully.

## **5.4 ACCOUNTING RECORDS**

- 5.4.1 Consultant shall keep full and detailed accounts and exercise such controls as may be necessary for proper financial management under this Agreement; Consultant's accounting and control systems shall be reasonably satisfactory to Owner. Owner and Owner's accountants shall be afforded reasonable access to the Consultant's records, books, correspondence, instructions, drawings, receipts, subcontracts, purchase orders, memoranda, and other data relating to this Agreement and any Entertainment Contract issued pursuant to this Agreement, during normal business hours at the location where such documents are stored by Consultant, including the ability of Owner to audit or inspect the same. Consultant shall preserve all such documentation related to this Agreement and

any Entertainment Contract issued pursuant to this Agreement for a period of five (5) years after final payment is made under each Entertainment Contract.

## **5.5 UNSATISFACTORY WORK**

- 5.5.1 Nothing contained in this Agreement shall require Owner to pay for any work that is unsatisfactory as determined by Owner or which is not submitted in compliance with the terms of this Agreement, nor shall such failure to withhold payment pursuant to the provisions of this Section constitute a waiver of any right, at law or in equity, which Owner may have if Consultant is in default, including the right to bring legal action for damages or for specific performance of this Agreement.

## **ARTICLE 6 OBLIGATIONS OF CONSULTANT**

### **6.1 GENERAL**

- 6.1.1 Consultant shall serve as Owner's professional consultant for all Professional Services or subcontracted services in connection with any Entertainment Contract between the Parties and shall provide professional consultation and advice and furnish customary services incidental thereto. Consultant shall perform all work hereunder in a manner satisfactory and acceptable to Owner in accordance with the terms and conditions of this Agreement, and in accordance with the professional standards applicable to Consultant applicable in the North Texas area. Consultant shall perform all Professional Services in a timely and professional manner, utilizing at all times an economical and expeditious manner for performing such Professional Services consistent with the standard of care defined in Section 4-3, below, and shall cause all subcontracted services to be similarly undertaken and performed. No less than monthly, Consultant shall keep Owner informed, in writing, as to the status and progress of all Professional Services and subcontracted services being provided under this Agreement and any Entertainment Contract issued pursuant to this Agreement. All oral information shall be subsequently confirmed in writing. Notwithstanding anything to the contrary in this Agreement, Consultant shall not be deemed to be an agent of Owner for any purpose but shall in all events be an independent contractor exercising control over its work and the manner in which it is performed. Except as specifically set forth in this Agreement or in a Entertainment Contract issued pursuant to this Agreement, (a) this Agreement shall not make Consultant a partner or agent of Owner for any purpose, and Owner shall not be deemed an agent for Consultant, and (b) neither Consultant nor Owner shall have the right or authority to assume, create, or enlarge any obligations or commitment on behalf of the other party and shall not represent itself as having the authority to bind the other party in any manner. Nothing in this Agreement is intended nor shall be construed to create an employer-employee relationship, a joint venture or joint enterprise relationship, or to allow Owner to exercise discretion or control over the means or methods in which Consultant performs the Professional Services which are the subject of this Agreement or any Entertainment Contract issued pursuant to this Agreement; provided, however, that the Professional Services provided by Consultant pursuant to this Agreement and any Entertainment Contract issued pursuant to this Agreement shall be provided in a manner consistent with all applicable standards and regulations governing such Professional Services. The means and methods in which Consultant's Professional Services provided hereunder and under any Entertainment Contract issued pursuant to this Agreement shall be performed, shall be determined by the Consultant in its sole discretion. The employees, agents, and representatives of, and the methods, equipment and facilities used by, Consultant shall at all times be under Consultant's exclusive direction and control

### **6.2 AUTHORIZATION TO PROCEED**

- 6.2.1 Consultant shall not begin work on any Professional Services until the Owner directs Consultant in writing to proceed. Unless otherwise specified in a Entertainment Contract, each Entertainment Contract shall constitute notice and authorization to proceed in connection with the applicable Professional Services specified in such Entertainment Contract.



### **6.3 STANDARD OF CARE-REPRESENTATIONS**

- 6.3.1 The standard of care applicable to Consultant, including Consultant's Personnel, in providing Professional Services or subcontracted services under this Agreement or any Entertainment Contract issued pursuant to this Agreement, shall be the standard of professional ethics and the degree of skill, care and diligence normally employed by Consultant's profession performing the same or similar Professional Services or subcontracted services in the North Texas area. Consultant shall re-perform and otherwise remedy any Professional Services, including subcontracted services, not meeting the standard of care set forth herein, without additional compensation. Further, Consultant and all subcontractors shall perform all Professional Services in accordance with any applicable law, rule, regulation or order of any federal, state or local agency having jurisdiction over any matter related to this Agreement that is in effect or effective at the time such Professional Services or subcontracted services are performed.
- 6.3.2 Consultant represents that it is authorized to practice its profession in the State of Texas and that any necessary licenses, permits or other authorization to practice its profession and to provide the Professional Services set forth herein have been heretofore acquired as required by law, rule or regulation. Consultant agrees and acknowledges that Owner is entering into this Agreement in reliance on Consultant's professional abilities with respect to performing the Professional Services set forth herein or in any Entertainment Contract issued pursuant to this Agreement.

### **6.4 INSURANCE**

- 6.4.1 Consultant shall, at its own expense, procure, pay for and maintain during the term of this Agreement the insurance listed in the insurance requirements document, in Exhibit A.

### **6.5 FEDERAL, STATE, AND LOCAL REGULATIONS**

- 6.5.1 Consultant shall comply with all federal, state and local laws, standards, rules, and regulations applicable to this Agreement and to any Entertainment Contract issued pursuant to this Agreement.

### **6.6 CONFIDENTIALITY**

- 6.6.1 Consultant acknowledges that Owner is a municipality and must comply with all the rules and regulations of the Texas Public Information Act, as the same may be amended. Consultant is not an employee of, but a contractor for, the Owner, however, and as such Consultant hereby agrees that it shall not use the Owner's insignia, logo, service mark, or other intellectual property of Owner, but shall be allowed to use photographs of the Professional Services work, or any other publicity pertaining to the work, in any magazine, trade paper, newspaper, or other medium.

### **6.7 CONSULTANT'S PERSONNEL**

- 6.7.1 If at any time after entering into this Agreement, Owner has any objection to Consultant's representative or to any of Consultant's Personnel, or any objection to any personnel of sub-consultants retained by Consultant and assigned to the Project, Consultant shall promptly propose substitutes to whom Owner has no objection.

## **ARTICLE 7 OBLIGATIONS OF THE OWNER**

### **7.1 OWNER FURNISHED DATA AND ACCESS TO SITE**

- 7.1.1 The Owner shall provide to Consultant available (*i.e.*, in the Owner's custody and control) technical data that Owner determines to be needed to perform the Professional Services on the Project. Subject to the standard of care set forth in Section 4-3, above, Consultant may reasonably rely upon the accuracy, timeliness, and completeness of the information provided by the Owner. Consultant may be entitled to additional compensation and time to complete the Professional Services to the extent the cost or time to complete the Professional Services

are increased due to inaccurate technical data or inaccurate information provided by the Owner.

## **7.2 PROMPT NOTICE**

7.2.1 The Owner shall give prompt written notice to Consultant whenever Owner observes or becomes aware of any development that affects the scope or timing of Professional Services or any subcontracted services, or any defect in the Professional Services or subcontracted services of Consultant, including Consultant's Personnel; provided, however, that Owner's failure to comply with its obligations under this paragraph shall not be construed to adversely affect any liability, responsibility or obligation of Consultant to Owner under this Agreement. Consultant shall give prompt written notice to Owner whenever Consultant observes or becomes aware of any development or event that affects the scope or timing of Professional Services, or any defect in the Professional Services of Consultant, including Consultant's Personnel, provided under this Agreement or any Entertainment Contract issued pursuant to this Agreement.

## **7.3 CHANGES**

7.3.1 No changes in the general scope of Professional Services or subcontracted services under this Agreement, and no amendment may be made to any Entertainment Contract issued pursuant to this Agreement, unless such changes are first agreed to by Owner and Consultant in writing. Consultant's personnel shall not be permitted to be changed or substituted unless first authorized in writing by the Owner. If any approved changes affect Consultant's cost of or time required for performance of the Professional Services, an equitable adjustment may be made through a written amendment to this Agreement or Entertainment Contract issued pursuant to this Agreement.

# **ARTICLE 8 GENERAL LEGAL PROVISIONS**

## **8.1 FORCE MAJEURE**

8.1.1 Consultant is not responsible to Owner for any damages to Owner or delay in performance caused by acts of God, strikes, lockouts, accidents, or other events beyond the control of Consultant and not avoidable by the diligence of Consultant; in such event, Consultant shall give Owner prompt notice of such event and the cause of delay and the performance of this Agreement shall be excused for the period of such delay caused by a force majeure event. If such force majeure event necessitates a change in the time required for performance of the Professional Services or subcontracted services, the Parties may make an equitable adjustment to the schedule and contract amount; provided, however, that Consultant shall continue to promptly perform all of its obligations under this Agreement, while the Parties are determining the nature and extent of any such adjustments. This Section shall not excuse Owner's obligation to make payment for Professional Services or subcontracted services in accordance with this Agreement; provided, however, that Owner's obligations under this Agreement, including Owner's obligation to pay Consultant, may be excused for such period of time as Owner is not able to perform as a result of acts of God, strikes, lockouts, accidents, or other events beyond the control of Owner and not avoidable by the diligence of Owner.

## **8.2 TERMINATION**

8.2.1 This Agreement or any Entertainment Contract issued pursuant to this Agreement may be terminated by either Party for convenience through written notice to the other Party to be effective thirty (30) calendar days after the other Party's receipt of such notice; provided, however, that Owner shall be responsible to pay Consultant for all authorized Professional Services and subcontracted services properly performed up to the termination date. Upon receipt of notice of termination for any reason, Consultant shall cause to be promptly delivered to Owner a copy of all confidential information and Work Product. In the event of a termination for convenience by either Party, Consultant shall have no recourse against Owner except as

stated in the preceding sentence; additionally, in the event of a termination for convenience by the City, Consultant may also be entitled to receive reimbursement from Owner of an amount equal to the sum of: (i) the reasonable out-of-pocket costs actually and necessarily incurred by Consultant in withdrawing its equipment and personnel from the Project and otherwise demobilizing; and (ii) the actual, reasonable and necessary costs incurred by Consultant in terminating those contracts, not assumed by Owner, for subcontractors services. Consultant shall document any cost claimed by it to Owner's reasonable satisfaction and shall supply Owner with copies of all invoices for subcontracted services covering the amounts claimed as costs for such purpose. Consultant shall submit an invoice to Owner for the amount of reimbursement claimed by Consultant with all supporting information and requisite documents. Payment by Owner of such invoice shall be based upon Owner's determination of the reasonableness of said costs.

8.2.2 Either Party may terminate this Agreement or any Entertainment Contract issued pursuant to this Agreement, because of default of the other Party, to be effective fifteen (15) days after receipt by the breaching Party of a written notice specifying such default, unless the breaching Party corrects such default or presents a mutually agreeable plan to cure such default within such time.

8.2.3 Notwithstanding any termination of this Agreement, unless otherwise agreed to by Owner, Consultant shall complete all Entertainment Contracts executed prior to the effective date of termination. Owner shall pay for such work in accordance with Article 3. Upon termination of this Agreement for any reason, if Owner has compensated Consultant for work not yet performed, Consultant shall promptly return such compensation to Owner.

### **8.3 SUSPENSION, DELAY, OR INTERRUPTION OF WORK**

8.3.1 Upon five (5) days prior written notice, the Owner may suspend, delay, or interrupt for up to six (6) months the services of Consultant for the convenience of the Owner. Nothing in this Section shall be construed to apply to any such suspension, delay or interruption caused by an event identified in Section 6-1. A suspension may be withdrawn by Owner upon five (5) days written notice to Consultant. Any suspension, delay or interruption that exceeds six (6) months shall be deemed to be a termination by Owner for convenience, and Consultant may be compensated by Owner as if this Agreement were a termination for convenience.

### **8.4 INDEMNIFICATION**

8.4.1 Notwithstanding any other provision in the Contract Documents to the contrary:

8.4.1.1 **CONSULTANT SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS OWNER, ITS TOWN COUNCIL, OFFICERS, EMPLOYEES AND AGENTS FROM AND AGAINST ALL CITATIONS, CLAIMS, COSTS, DAMAGES, DEMANDS, EXPENSES, FINES, JUDGMENTS, LOSSES, PENALTIES OR SUITS, WHICH IN ANY WAY ARISE OUT OF, RELATE TO, OR RESULT FROM THE PERFORMANCE OF PROFESSIONAL SERVICES OR WHICH ARE CAUSED BY THE INTENTIONAL ACTS OR NEGLIGENT ACTS OR OMISSIONS OF CONSULTANT OR ITS SUBCONTRACTORS, AND ANY OTHER THIRD PARTIES FOR WHOM OR WHICH CONSULTANT IS LEGALLY RESPONSIBLE (THE "INDEMNIFIED ITEMS"). BY WAY OF EXAMPLE, THE INDEMNIFIED ITEMS MAY INCLUDE PERSONAL INJURY AND DEATH CLAIMS AND PROPERTY DAMAGE CLAIMS, INCLUDING THOSE FOR LOSS OF USE OF PROPERTY. INDEMNIFIED ITEMS SHALL INCLUDE ATTORNEY'S FEES AND COSTS OF COURT, COURT COSTS, AND SETTLEMENT COSTS. INDEMNIFIED ITEMS SHALL ALSO INCLUDE ANY EXPENSES, INCLUDING ATTORNEY'S FEES AND EXPENSES, INCURRED BY AN INDEMNIFIED INDIVIDUAL OR ENTITY IN ATTEMPTING TO ENFORCE THIS INDEMNITY.**

8.4.1.2 **THE OBLIGATIONS SET FORTH IN THIS SECTION SHALL SURVIVE THE EXPIRATION OR TERMINATION OF THIS AGREEMENT.**

8.4.1.3 **CONSULTANT SHALL CAUSE ALL CONTRACTS FOR SUBCONTRACTED SERVICES TO INCLUDE A LIKE INDEMNITY THAT SHALL COVER BOTH THE OWNER AND CONSULTANT. NOTHING HEREIN SHALL LIMIT THE INSURANCE REQUIREMENTS OR APPLICABILITY OF SAME SET FORTH IN THIS AGREEMENT AND THE CONTRACT DOCUMENTS.**

8.4.2 The above indemnity is a business understanding between the Parties and applies to all different theories of recovery, including breach of contract or warranty, tort including negligence, statutory liability or any other cause of action.

## **8.5 JURISDICTION**

8.5.1 The law of the State of Texas shall govern the validity of this Agreement, its interpretation and performance, and any other claims related to it; and, with respect to any conflict of law provisions, the parties agree that such conflict of law provisions shall not affect the application of the law of Texas (without reference to its conflict of law provisions) to the governing, interpretation, validity and enforcement of this Agreement. In the event of any legal action under this Agreement, venue for all causes of action shall be instituted and maintained in courts of competent jurisdiction located in Denton County, Texas.

## **8.6 SEVERABILITY**

8.6.1 If any of the provisions contained in this Agreement are held for any reason to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceable provisions shall not affect any other provision, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

## **8.7 ASSIGNMENT**

8.7.1 Neither Party may sell, transfer or assign any or all of its respective rights nor obligations under this Agreement to a third party without the prior written consent of the other Party.

## **8.8 SURVIVAL**

8.8.1 Any of the representations, warranties, covenants, and obligations of the Parties, as well as any rights and benefits of the Parties, pertaining to a period of time following the termination or expiration of this Agreement shall survive termination or expiration. Without limiting the foregoing, Articles 6 and 8 shall survive termination of this Agreement.

## **8.9 NO THIRD PARTY RIGHTS**

8.9.1 Except as provided in Sections 6-4 and 8-4, this Agreement shall not create any rights or benefits to parties other than Consultant, Owner, and any Owner-affiliated entity including, but not limited to, an entity formed for purposes of developing and/or owning the Project.

## **8.10 NOTICE**

8.10.1 Except as otherwise provided herein, all notices and other communications required or permitted to be given under this Agreement, including Exhibits and Entertainment Contracts, shall be in writing, addressed to the Parties at their respective addresses as provided below, and may be delivered in person, sent by overnight express mail or courier service, or by certified mail, postage prepaid, return receipt requested. The address of each Party is as follows:

IF TO OWNER: Town of Little Elm Town Manager  
100 West Eldorado Parkway, Little Elm, Texas 75068  
Contracts@littleelm.org

IF TO CONSULTANT:

8.10.2 Each Party may from time to time change its address for receipt of notices by sending notice thereof in the manner provided herein to the other Party. Each notice given by certified mail shall be deemed delivered on the date of delivery as shown on the return receipt, or if delivery is attempted, at the last address specified and the notice is returned, notice shall be deemed delivered on the date the notice was originally sent. Each notice delivered in any other manner shall be deemed delivered as of the time of actual receipt thereof. The Parties

acknowledge and agree to provide to the other Party within seventy-two (72) hours of transmission such documents bearing the original signatures.

#### **8.11 RIGHT OF ENTRY**

8.11.1 Owner shall permit Consultant reasonable access to a Project as may be required to permit Consultant to perform the Professional Services under this Agreement; provided, however, Consultant shall coordinate all Professional Services so as not to interfere with any of Owner's operations at a Project site.

#### **8.12 INTERPRETATION AND FAIR CONSTRUCTION OF AGREEMENT**

8.12.1 This Agreement has been reviewed and approved by each of the Parties. In the event it should be determined that any provision of this Agreement is uncertain or ambiguous, the language in all parts of this Agreement shall be in all cases construed as a whole according to the fair meaning of the provision.

#### **8.13 NON-WAIVER**

8.13.1 The failure of either Party to insist upon or enforce strict performance by the other Party of any provision of this Agreement or to exercise any right under this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to assert or rely upon any such provision or right in that or any other instance, rather, the same rights shall be and remain in full force and effect.

#### **8.14 DISPUTE RESOLUTION**

8.14.1 Any claim, dispute or other matter in question arising out of or related to this Agreement shall be subject to mediation as a condition precedent to any legal action. The Owner and Consultant shall endeavor to resolve claims, disputes and other matters in question between them first, informally and, second, by mediation. A request for mediation shall be made in writing and delivered to the other Party to this Agreement. The Parties shall have fifteen (15) days after receipt of a request for mediation to agree on a mediator. If the Parties are unable to agree on a mediator within fifteen (15) days, each Party shall have an additional five (5) days to designate a mediator. The two mediators so designated shall then designate a third unbiased mediator who shall be the mediator to conduct the mediation. The decision of the mediator shall be non-binding. The Parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof. If the Parties do not resolve a dispute through mediation pursuant to this section, then the Parties may pursue litigation in a court of competent jurisdiction as the agreed upon method of binding dispute resolution.

### **ARTICLE 9. DEFINITIONS; MISCELLANEOUS**

#### **9.1 DIRECT EXPENSES**

9.1.1 Direct Expenses shall mean those out-of-pocket reasonable costs or expenses directly and necessarily incurred by Consultant, including its employees, for Professional Services including, but not limited to, transportation costs, including current rates for Consultant's vehicles; meals and lodging (however, in order to be reimbursed, any costs associated with out-of-town travel shall receive the prior approval of Owner), laboratory tests and analysis; and special Owner-requested and Project-related insurance, not including the insurance described in Section 4-4. Direct Expenses shall not include payroll costs and compensation, capital expenses, overhead, or costs incurred as a result of the application of Section 4-3 or Section 6 of this Agreement or otherwise as a result of the negligent act, error or omission or willful misconduct of Consultant or Consultant's Personnel. Reimbursement for Direct Expenses shall be on the basis of actual charges when furnished by commercial sources

and, when furnished by Consultant, on the basis of current rates specified in the applicable Entertainment Contract, and all reimbursement for Direct Expenses shall be subject to Owner's approval and determination of reasonableness.

## **9.2 OTHER DEFINITIONS**

9.2.1 Whenever used in this Agreement, the terms: (a) "including" shall mean "including without limitation," (b) "Party" shall mean Owner or Consultant, (c) "Parties" shall mean Owner and Consultant, collectively, (d) "Project" shall mean the project for which a Entertainment Contract has been issued in accordance with Article 1, and (e) "Work Product" shall mean the Consultant's instruments of professional services.

## **9.3 MISCELLANEOUS**

9.3.1 All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same. Any of the representations, warranties, covenants, and obligations of the Parties, as well as any rights and benefits of the Parties, pertaining to a period of time following the termination or expiration of this Agreement shall survive termination or expiration. This Agreement and the Entertainment Contracts issued pursuant to this Agreement, and any Exhibits attached to this Agreement, constitute the entire Agreement, supersede all prior written or oral understandings, and may only be changed, amended or altered by a written amendment to this Agreement executed by both Parties.

## **ARTICLE 10 SIGNATURES**

10.1 The undersigned officers and/or agents of the Parties hereto are the properly authorized persons, and have the necessary authority, to execute this Agreement on behalf of the Parties hereto, and each Party hereby certifies to the other that any necessary motions, resolutions or other act extending such authority have been duly passed and are now in full force and effect.

IN WITNESS WHEREOF, the Parties execute below:

**TOWN OF LITTLE ELM**

**CONSULTANT**

\_\_\_\_\_  
Matt Mueller, Town Manager

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**Town Contact**

**Consultant Contact**

**Exhibit A: Insurance Requirements**

**Exhibit B: Sample Entertainment Contract**

## EXHIBIT A

### SPECIFIC INSURANCE REQUIREMENTS

***All insurance policies proposed or obtained in satisfaction of this Contract shall additionally comply with the following marked specifications, and shall be maintained in compliance with these additional specifications throughout the duration of the Contract, or longer, if so noted:***

**[X] A. General Liability Insurance:**

General Liability insurance with combined single limits of not less than \$1,000,000.00 shall be provided and maintained by the Contractor. The policy shall be written on an occurrence basis either in a single policy or in a combination of underlying and umbrella or excess policies.

If the Commercial General Liability form, (ISO Form CG 0001 current edition) is used:

- Coverage A shall include premises, operations, products, and completed operations, independent contractors, contractual liability covering this contract and broad form property damage coverage.
- Coverage B shall include personal injury.
- Coverage C, medical payments, is not required.

If the Comprehensive General Liability form (ISO Form GL 0002 Current Edition and ISO Form GL 0404) is used, it shall include at least:

- Bodily injury (\$500,000) and Property Damage Liability (\$500,000) for premises, operations, products and completed operations, independent contractors and property damage resulting from explosion, collapse, or underground (XCU) exposures.
- Broad form contractual liability (preferably by endorsement) covering this Contract, personal injury liability and broad form property damage liability.

**[X] Automobile Liability Insurance:**

Contractor shall provide Commercial Automobile Liability insurance with Combined Single Limits (CSL) of not less than \$1,000,000 either in a single policy or in a combination of basic and umbrella or excess policies. The policy will include bodily injury (\$500,000) and property damage liability (\$500,000) arising out of the operation, maintenance, and use of all automobiles and mobile equipment used in conjunction with this contract. Coverage shall include all owned/leased vehicles, non-owned vehicles, and hired vehicles.

Satisfaction of the above requirement shall be in the form of a policy endorsement for:

- Code 1 - any auto, or
- All owned hired and non-owned autos.

**[X] Workers' Compensation Insurance**

Contractor shall purchase and maintain Workers' Compensation insurance, which in addition to meeting the minimum statutory requirements for issuance of such insurance, has Employer's Liability limits of at least \$500,000 for each accident, \$500,000 per each employee, and a \$500,000 policy limit for occupational disease. The Town need not be named as an "Additional Insured" but the insurer shall agree to waive all rights of subrogation against the Town, its officials, agents, employees, and volunteers for any work performed for the Town by the Named Insured. For building or construction projects, the Contractor shall comply with the provisions of Attachment 1 in accordance with §406.096 of the Texas Labor Code and rule 28TAC 110.110 of the Texas Workers' Compensation Commission (TWCC).



### ENTERTAINMENT CONTRACT # \_\_\_\_\_

This CONTRACT dated \_\_\_\_\_ for the services on the engagement described below is made between The Town of Little Elm (herein called PURCHASER) and Ken-Ran Productions (herein called PRODUCER).

**(ANY AND ALL RIDERS ATTACHED ARE MADE A PART HEREOF)**

ARTIST: \_\_\_\_\_ EVENT: \_\_\_\_\_

VENUE: \_\_\_\_\_  
o Physical Address: \_\_\_\_\_ o Audience Size: 3  
o Website: \_\_\_\_\_

DATE: \_\_\_\_\_  
**(Schedules are Approximate and Subject to Change upon agreement between Artists & Purchaser)**

- o Artist Billing:
- o Production Load In Time:
- o Artist Load-In/Sound Check Time:
- o Set Time/Length:
- o Fireworks/Drone Show:
- Band Plays Purchaser Playlist Through Sound System

PURCHASER-PROMOTER: Town of Little Elm  
o Address: 100 W. Eldorado Parkway, Little Elm, TX 75068  
o Contact: Drew Bailey o Phone: 214-618-2914 o Cell: 517-902-6053 o Email: [DBailey@littleelm.org](mailto:DBailey@littleelm.org)  
o Contact: Cara Blackmon o Phone: 214-618-1401 o Cell: 214-536-7094 o Email: [CBlackmon@littleelm.org](mailto:CBlackmon@littleelm.org)  
o Contact: Delaney Williams o Phone: 281-686-4345 o Cell: 972-731-1468 o Email: [Del.Williams@littleelm.org](mailto:Del.Williams@littleelm.org)

TOTAL PURCHASE PRICE: \_\_\_\_\_  
o Includes ARTIST performances and listed services

DEPOSIT: \$ \_\_\_\_\_ Made payable to Ken-Ran Productions due with signed contract by \_\_\_\_\_.  
BALANCE: \$ \_\_\_\_\_ Made payable to Ken-Ran Productions due \_\_\_\_\_.

*Checks should be made payable to Ken-Ran Productions. Contract price reflects a 5% cash discount for payment made by preferred methods of payment – cash, check or ACH. If payment is not made by cash, check or ACH, the discount will be rescinded.*

TICKET PRICES/LEVELS: \_\_\_\_\_

PROMOTIONS / SPONSORSHIP: Purchaser pays for adequate promotion of event

MERCHANDISE: 100% to Artists – Artists Sell  
o Purchaser to Provide Three (3) Tents, Power, (3) Eight Foot Tables and (6) Folding Chairs – This Includes Headliner and Support

PRODUCTION COMPANY: Ken-Ran Productions  
o Contact: Brooks Kendall o Office: 817-573-6100 o Cell: 817-919-8927 o E-Mail: [brooks@kenran.com](mailto:brooks@kenran.com)  
o On-Site Contact: TBD o Cell: TBD  
o Ken-Ran Productions or Band will Provide Sound Equipment Adequate for Audience Size and Additional Stage Lighting  
o Ken-Ran Productions or Band will Provide Use of Sound System for Fireworks After the Concert – Purchaser MUST Provide Playlist Prior to Event  
o Purchaser will Provide the Following:  
Stage – Covered Amphitheater  
Power for Production Equipment – 200Amp needed for Sound  
One (1) Tent (Minimum 10' x 10') for FOH Production Equipment  
One (1) 6' or 8' Table and Two (2) Chairs at FOH Position  
If Needed, Purchaser Provides Four (4) Loaders & Two (2) Utility Carts (or flat bed trailer/truck) for All Band Load-ins and Load-outs

ACCOMMODATIONS: N/A – Artist's Responsibility



## EXHIBIT B

HOSPITALITY: Purchaser Provides the Following per Artist Rider:

- o Meals:
- o Dressing Room Hospitality:
- o Other:

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OTHER PROVISIONS:

- o Stage:
- o Age Group:
- o Green Room:
- o Meet & Greet:
- o Parking & Unloading:

Parking Spots Blocked off with Barricades or Cones Provided by Purchaser for Artist & Production Vehicles

- o Inclement Weather: In the case of inclement weather, Artist shall be paid in full. Purchaser represents and warrants it has sufficient insurance or funds to cover any such cancellation.

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THE ADDITIONAL PROVISIONS AND ANY RIDERS ATTACHED HERETO ARE PART OF THIS CONTRACT AND ARE DEEMED INCORPORATED HEREIN.

THIS CONTRACT MAY BECOME VOID IF PURCHASER FAILS TO SIGN AND RETURN SAME WITHIN 10 DAYS OF DATE ISSUED.

PURCHASER: Town of Little Elm

PRODUCER: Ken-Ran Productions  
EIN 88-2249209

Signature X \_\_\_\_\_  
Address: 100 W. Eldorado Parkway  
Little Elm, TX 75068

X \_\_\_\_\_  
Address: 2505 Scenic View Ct.  
Granbury, TX 76048  
817-573-6100 (PH) 817-977-6307 (FAX)

## DEPOSIT

Failure to return contract with deposit by date specified will result in cancellation of engagement and termination of offer. When balance is due prior to engagement, failure to pay full amount at the designated date will result in cancellation of engagement by Producer with total contract price still being owed to Producer from Purchaser.

## FINAL PAYMENT

All payments must be made in cash or by cashier's check payable to Producer. If payment is late, Purchaser will be assessed a late fee of \$50 per day. If payment is made by check and the check bounces, Purchaser will be assessed a \$100 bounced check fee plus any expenses and fees charged to Producer in connection with the bounced check, in addition to the late fee.

## TERMINATION / CANCELLATION

If contracts are not signed and returned within 10 days of issue date, PRODUCER has the right to consider them void.

Retainers are nonrefundable and this contract is non-cancelable by either party except as follows:

If PURCHASER wishes to cancel, written notice shall be given to PRODUCER of such intent. PRODUCER will attempt to locate a replacement booking for the ARTIST of equal value acceptable to the ARTIST(s) contracted herein. If such a replacement booking is completed, this contract will then be canceled and PURCHASER shall have no further liability except that any retainer paid on this contract is not refundable. If no suitable replacement booking can be made, or if notice of cancellation is received less than 60 days from the date of engagement, PURCHASER shall be liable for full balance of contracted compensation as liquidated damages.

## FORCE MAJEURE

In the event the performance is prevented, rendered impossible or infeasible by an Act of God, any act or regulation of any public authority or bureau, civil tumult, strike, epidemic, interruption or delay of transportation services, war conditions, emergencies, or any other similar or dissimilar cause beyond the control of either Artist or Purchaser (each a "Force Majeure Occurrence"), it is understood and agreed by the parties that there shall be no claim for damages by either party against the other and each party's obligations hereunder shall be deemed waived.

Notwithstanding the foregoing, if Artist's performance is prevented by a Force Majeure Occurrence, but Artist is ready, willing and able to render its services in accordance with the terms hereof, then Purchaser shall pay Artist the full amount of the Artist Guarantee. The parties acknowledge and agree that the occurrence of the Corona Virus, COVID19, H1N1 virus (i.e., swine flu) in an area in close proximity to the performance venue shall not in and of itself be deemed a Force Majeure Occurrence, unless the US Department of Health and Human Services officially declares the virus to be an epidemic affecting the particular city or county in which the performance is scheduled to take place. (We strongly recommend PURCHASER acquire event insurance to cover losses due to force majeure cancellation of the engagement or of the event itself under the aforementioned conditions- such insurance is readily available through a number of sources we recommend <https://www.cossioinsurance.com>)

## LAW FORUM

If any legal proceedings are necessary to enforce or interpret the terms of this agreement, the prevailing party shall be entitled to reasonable attorney's fees and Court costs in addition to any other relief provided by law. This contract shall be deemed made and entered into the State of Texas and shall be governed by the laws of the State of Texas applicable to contracts entered into and wholly performed therein. The State and Federal Courts located in Hood County, Texas shall have exclusive jurisdiction over any disputes arising hereunder and the parties hereto agree to submit to the jurisdiction of these courts. Client agrees that the maximum extent of consultant's liability to client for any tort or contract claim shall be no greater than the fee paid by client under this agreement. The parties further agree to and do hereby waive formal service of process in regard to actions brought relating to this Agreement and agree to accept service of process via certified mail, return receipt requested.

## AGREEMENT ACKNOWLEDGEMENT

The representative(s) or agent(s) of Purchaser in signing this agreement acknowledges his/her (or their) authority to do so and to bind Purchaser to the terms and conditions contained herein. This contract sets forth the entire agreement between the parties hereto and merges all prior discussion and agreements between them. This contract may not be amended except by instrument in writing signed by the parties hereto. If any of the provisions of the agreement are determined to be void or unenforceable, the remaining provisions hereof shall remain in full force.

## CONTROL OF PRODUCTION

Producer and Artist shall at all times exercise complete supervision, direction, and control over the services of all personnel on this engagement and expressly reserves the right to control the manner, means and details of the performance of services to fulfill the entertainment requirement. ARTIST shall use all efforts to conform to rules and policies of this establishment, and may be liable for penalties from above wages for flagrant abuse of said rules.

## ATTACHMENTS

Any Rider attached to this Engagement Contract, if any, is a part of this agreement as if set out herein, and is incorporate herein for all purposes. The parties also expressly agree to be bound by all terms and conditions contained in any such Rider.

## UNION PROVISIONS

This contract, and the terms and conditions contained herein, may be enforced by the Purchaser, and its agents, and by each musician who is a party to this contract or whose name appears on the contract or who has, in fact, performed the engagement contracted for, and by the agent or agent(s) of each participating musician, including the Local Union. It is expressly understood by the Purchaser and the entertainers who are parties to this contract that neither the Federation nor the Local Union are parties to this contract in any capacity, that neither the Federation nor the Local Union shall be liable for the performance or breach of any provision hereof.

Initials\_\_\_\_\_

## INSURANCE

PURCHASER & PRODUCER shall provide, at its sole cost, Commercial General Liability insurance in the amount of One Million U.S. Dollars (1,000,000) per occurrence, covering any and all liabilities, claims, or losses resulting from injuries to any person and from any property damage and/or losses in connection with the engagement.

## TAXES

If there is any assessment of tax by any taxing authority for monies earned during the performance(s), said taxes shall be paid by the PURCHASER and it is fully understood and agreed that no deductions whatsoever in respect of such taxes shall be taken from the price contained herein or in any percentage earned hereunder. This is an independent contractor Contract. No Federal, State or Local taxes shall be deducted from the guarantee.

## ADVERTISING

This engagement is not to be advertised or publicized in any manner or form until this contract is fully processed and signed by both parties. Correct billing of the Artist is shown on page 1 of this contract. Artist's name must appear at the venue, on marquee, & advertisements correctly. Artist's name must appear as special guest when opening.

This contract covers the personal appearances of Artists and Leader only for the above described engagement. Any appearance for any reason whatsoever other than the herein provided must be approved in writing and signed by AGENT representative and Buyer.

## REPRODUCTION

Absolutely no portion of the ARTIST'S performance rendered hereunder may be broadcast, taped, filmed, recorded, or embodied in any form for any purpose or reproduction without the prior written approval of PRODUCER. PURCHASER agrees to deny admittance to any person carrying audio or video recording equipment. This shall include members of the audience, media, venue, and PURCHASER'S staff.

## OUTDOOR PERFORMANCE

For outdoor events, Client will provide alternate indoor performance location in case of rain, excessive heat or other inclement weather. Provided ARTIST is present, ready, willing and able to perform, ARTIST will be paid in full. Artist shall have full authority to judge weather conditions and will notify Purchaser at such time that they must choose to move the performance indoors or cancel or reschedule the performance. Rescheduling of a performance canceled due to inclement weather may only occur prior to the Artist's load in of equipment and shall be subject to Artist's discretion and approval in writing.

## AGENT/ARTIST PROVISIONS:

The engagement price includes agent's commission, consultation services, and/or contract fees as specified herein and unless otherwise stipulated will be held in fiduciary by leader for delivery to agent. Leader agrees commissions are due and owing at the conclusion of the engagement or at the end of the week, and if not paid to Agency within 10 days of date due, they shall be considered delinquent and shall bear an interest rate directly purported to the current (contract signing date) national prime interest rate. If litigation is necessary for collection, attorney's fees and court costs shall be payable by debtor.

The undersigned agent is acknowledged to have fully performed upon the commencement of this engagement; he shall not be liable for the default of a Purchaser or the non-performance of the group. No changes in the affecting commission shall be made without the written approval of agent.

If leader or key personnel of this musical or other entertainment group, is re-booked into this or any establishment represented by the purchaser (including chain buyers of music) within 2 years from the termination of this agreement, the re-booking will be deemed to have resulted from the efforts of Ken-Ran Productions, and the Purchaser and Leader of the subsequent re-booking shall be jointly and severally liable for payment to Ken-Ran Productions for a commission in the rate set forth herein to this engagement.

Producer executes this agreement as an independent contractor. The Artist agrees to assume responsibility for all taxes, insurance and related benefit, including but not limited to worker's compensation, general liability, medical and life insurance.

Should the engagement extend beyond the agreed end time, and Purchaser requests that Artist continue the Performance, Purchaser agrees to pay the stated Overtime Fee promptly upon the conclusion of the Performance. The Overtime Fee stated herein is an hourly rate or will be prorated as such and shall be billed in minimum 30 minutes period increments. Artist is responsible for additional commissions due Ken-Ran Productions.

## ACCESS

Representatives of Ken-Ran Productions shall have access to place of performance and with notice to the Purchaser may have potential clients briefly view the event.

We acknowledge and confirm that we have read and approve the terms and conditions set forth in this contract

Initials\_\_\_\_\_



**Date:** 02/20/2024  
**Agenda Item #:** 4. E.  
**Department:** Finance  
**Strategic Goal:** Maintain operational integrity and viability  
**Staff Contact:** Jason Shroyer, Director of Public Works

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**AGENDA ITEM:**

Consider Action to **Award Bid 2024-06 for Submersible Sewage Pump and Installation to Xylem Water Solutions, USA Inc. in the amount of \$63,500.**

**DESCRIPTION:**

The Wastewater Treatment Plant requires a replacement submersible sewage pump in the existing lift station wetwell. This is the main lift station for the wastewater treatment plant and where all the sewer from the Town of Little Elm flows to be properly treated before returning to the environment. The main lift station at the wastewater treatment plant at full capacity consists of four 75-horsepower pumps. At peak flows, the main lift station will have three pumps running simultaneously, requiring the need for a fourth pump in case of pump failure.

Requests for Proposals (RFPs) were advertised in the local paper, posted on the Town's eprocurement system, and sent to two hundred forty-eight (248) contractors. Two (2) offers were received, evaluated, and scored by staff based on criteria published in the RFP. The highest scoring offer is from Xylem Water Solutions, USA.

**BUDGET IMPACT:**

Funding for this project has been identified in the Utility operating budget.

**RECOMMENDED ACTION:**

Staff recommends approval.

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**Attachments**

Evaluation  
2024-06 Submersible Pump Contract

Town of Little Elm  
RFP 2024-06 Submersible Sewage Pump  
Evaluation

				Pump Solutions, Inc.		Xylem Water Solutions, USA Inc.	
Line #	Description	QTY	UOM	Unit	Extended	Unit	Extended
1	Furnishment of one (1) submersible sewage pump motor	1	LS	\$75,731.00	\$75,731.00	\$60,000.00	\$60,000.00
2	Turn-key installation	1	LS	\$3,500.00	\$3,500.00	\$3,500.00	\$3,500.00
Total:				\$79,231.00		\$63,500.00	

EVALUATION			
Possible Points:			
25	References	25	25
40	Meets Specifications	40	40
20	Warranty	20	20
15	Price	12	15
100	Total Score:	97	100

**Town of Little Elm, Texas  
Standard Contract for Services**

This Agreement is made by and between the Town of Little Elm, Texas, a Texas home-rule municipality (hereinafter referred to as the "Town") and [Xylem Water Solutions USA, Inc.](#) (hereinafter referred to as the "Provider") for [RFP 2024-06 Submersible Sewage Pump and Installation for Wastewater Treatment Plant](#), (hereinafter referred to as the "Project"). In consideration of the premises, covenants and mutual promises contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Town and the Provider hereby agree as follows:

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1. **EMPLOYMENT OF THE PROVIDER.** The Town agrees to retain the Provider for, and the Provider agrees to provide services relative to, the following Project: [RFP 2024-06 Submersible Sewage Pump and Installation for Wastewater Treatment Plant](#) (hereinafter also referred to as "Services") in accordance with the terms and conditions as set forth in this Agreement and in Exhibit A, attached hereto and incorporated herein by reference.
2. **SCOPE OF SERVICES.** The Services to be performed are specified in [Exhibit A](#). Deviations from the agreed-upon scope of work of such Services may be authorized from time to time by the Town in writing.
3. **SCHEDULE OF WORK.** The Provider agrees to begin work upon receipt of written authorization from the Town. Time is of the essence for this Agreement and work is to commence immediately.
4. **CONTRACT PERIOD.** The contract period for this Agreement is for the duration of the project. All pricing is to remain firm during this contract period.
5. **COMPENSATION.** The Provider's total compensation for services to be performed and expenses to be incurred is specified in [Exhibit A](#), attached hereto and incorporated herein by reference.
6. **PAYMENTS.** Payments will be processed on a monthly basis with payment available within thirty (30) days after the Town's receipt of the invoice for the previous month's Services or as set forth in [Exhibit A](#).
7. **INVOICING.** Invoices should be prepared and submitted to the Town for payment in accordance with Exhibit A. Invoices should be mailed to Accounts Payable, Town of Little Elm, 100 W. Eldorado, Little Elm, TX 75068, or emailed to [accounts.payable@littleelm.org](mailto:accounts.payable@littleelm.org).
8. **RIGHTS OF WITHHOLDING.** The Town may withhold any payment or partial payment otherwise due the Provider on account of unsatisfactory performance by the Provider. The amount to be withheld will be calculated based on the work not performed and the impact to the Town. Any payment or partial payment that may be withheld for unsatisfactory performance can be used to remedy the lack of performance and, if so used, will not be paid to the Provider.
9. **INFORMATION PROVIDED BY THE TOWN.** Although every effort has been or will be made to furnish accurate information, the Town does not guarantee the accuracy of information it furnishes to the Provider.
10. **INSURANCE.** The Provider shall provide proof that it has obtained and will continue to maintain throughout the duration of this Agreement the insurance requirements set forth in Exhibit A. Failure to maintain the required insurance may result in immediate termination of this Agreement.
11. **INDEMNIFICATION.** THE PROVIDER AGREES, TO THE FULLEST EXTENT PERMITTED BY LAW, TO INDEMNIFY AND HOLD HARMLESS THE TOWN, ITS OFFICERS, AGENTS, SERVANTS AND EMPLOYEES (HEREINAFTER COLLECTIVELY REFERRED TO AS "INDEMNITEES") FROM AND AGAINST SUITS, ACTIONS, CLAIMS, LOSSES, ANY DAMAGE, LIABILITY, AND FROM AND AGAINST ANY COSTS AND EXPENSES, INCLUDING, IN PART, ATTORNEY'S FEES INCIDENTAL TO THE DEFENSE OF SUCH SUITS,

ACTIONS CLAIMS, LOSSES, DAMAGES OR LIABILITY ON ACCOUNT OF INJURY, DISEASE, SICKNESS, INCLUDING DEATH, TO ANY PERSON OR DAMAGE TO PROPERTY INCLUDING, IN PART, THE LOSS OF USE RESULTING THEREFROM, ARISING FROM ANY NEGLIGENT ACT, ERROR OR OMISSION OF THE PROVIDER, ITS OFFICERS, EMPLOYEES, SERVANTS, AGENTS OR SUBCONTRACTORS, OR ANYONE ELSE UNDER THE PROVIDER'S DIRECTION AND CONTROL, AND ARISING OUT OF, RESULTING FROM, OR CAUSED BY THE PERFORMANCE OR FAILURE OF PERFORMANCE OF ANY WORK OR SERVICES UNDER THIS AGREEMENT, OR FROM CONDITIONS CREATED BY THE PERFORMANCE OR NON-PERFORMANCE OF SAID WORK OR SERVICES. IN THE EVENT ONE OR MORE OF THE INDEMNITEES IS DETERMINED BY A COURT OF LAW TO BE JOINTLY OR DERIVATIVELY NEGLIGENT OR LIABLE FOR SUCH DAMAGE OR INJURY, THE PROVIDER SHALL BE OBLIGATED TO INDEMNIFY INDEMNITEES AS PROVIDED HEREIN ON A PROPORTIONATE BASIS IN ACCORDANCE WITH THE FINAL JUDGMENT, AFTER ALL APPEALS ARE EXHAUSTED, DETERMINING SUCH JOINT OR DERIVATIVE NEGLIGENCE OR LIABILITY. THIS INDEMNIFICATION IS SUBJECT TO THE LIMITATIONS IN TEXAS LOCAL GOVERNMENT CODE, § 271.904(A) AND TEXAS CIVIL PRACTICE AND REMEDIES CODE, § 130.002(B), AS SAME MAY BE APPLICABLE TO PROVIDER AS A MATTER OF LAW.

12. **TRANSFER OF INTEREST.** Neither the Town nor the Provider may assign or transfer their interests in this Agreement without the prior written consent of the other Party. Such consent shall not be unreasonably withheld. This Agreement is binding on the Town, the Provider, and their successors and assigns. Nothing herein is to be construed as creating a personal liability on the part of any Town officer, employee or agent.
13. **AUDITS AND RECORDS.** At any time during normal business hours and as often as the Town may deem necessary, the Provider shall make available to the Town for examination all of its records with respect to all matters covered by this Agreement, and will permit the Town to audit, examine and make copies, excerpts, or transcripts from such records. The Town may also audit all contracts, invoices, payroll records of personnel, conditions of employment and other data relating to this Agreement.
14. **EQUAL EMPLOYMENT OPPORTUNITY.** The Provider shall not discriminate against any employee or applicant for employment because of age, race, color, religion, sex, national origin, disability or any other protected characteristic. The Provider shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their age, race, color, religion, sex, national origin, disability or any other protected characteristic. Such actions shall include, but not be limited to the following: employment, promotions, demotion, transfers, recruitment or recruitment advertising, layoffs, terminations, selection for training (including apprenticeships), and participation in recreational activities.

The Provider agrees to post in conspicuous places, accessible to employees and applicants for employment, notices setting forth the provisions of the nondiscrimination clause. The Provider will, in all solicitations or advertisements for employees placed by or on behalf of the Provider, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

The Provider will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement so that such provisions will be binding upon each sub-Provider, except that the foregoing provisions shall not apply to contracts or subcontracts for customary office supplies.

The Provider shall keep records and submit reports concerning the racial and ethnic origin(s) of applicant employment and employees as the law may require.

15. **SECURITY BREACH NOTIFICATION.** Provider shall have policies and procedures in place for the effective management of Security Breaches, as defined below. In the event of any actual, attempted, suspected, threatened, or reasonably foreseeable circumstance Provider experiences or learns of that either compromises or could reasonably be expected to comprise Town data through unauthorized use, disclosure, or acquisition of Town data

("Security Breach"), Provider shall immediately notify Town of its discovery. After such notification, Provider shall, at its own expense, immediately: Investigate to determine the nature and extent of the Security Breach. Contain the incident by taking necessary action, including, but not limited to, attempting to recover records, revoking access, and/or correcting weaknesses in security. Report to Town the nature of the Security Breach, the Town data used or disclosed, the person who made the unauthorized use or received the unauthorized disclosure, what Provider has done or will do to mitigate any harmful effect of the unauthorized use or disclosure, and the corrective action Provider has taken or will take to prevent future similar unauthorized use or disclosure.

16. **SECURITY BREACH DEFINED.** The unauthorized acquisition of or access to Customer Data by an unauthorized person that compromises the security, confidentiality, or integrity of Customer Data, including instances in which internal personnel access systems in excess of their rights or use systems inappropriately. "Security Breach" shall also be deemed to include any breach or security, confidentiality, or privacy as defined by any applicable law, rule regulation, or order.

15. **TERMINATION OF CONTRACT.** The Town may terminate this Agreement upon thirty (30) days written notice to the Provider, except in the event (i) the Provider is in breach of this Agreement, or (ii) the Provider fails to comply with the terms of Exhibit A. If either of the foregoing conditions exists, the Town shall notify the Provider and the Provider shall be given seven (7) days to cure such breach or failure to comply. Should the Provider fail to cure to the satisfaction of the Town, the Town may terminate this Agreement upon written notice as provided herein.

Furthermore, the Town retains the right to terminate this Agreement at the expiration of each Town budget period (September 30) during the term of this Agreement, even without prior notice as described in the preceding sentence.

In the event of any termination hereunder, the Provider consents to the Town's selection of another Provider to assist the Town in any way in completing the Services. The Provider further agrees to cooperate and provide any information requested by the Town in connection with the completion of the Services.

The Provider shall be compensated for Services performed and expenses incurred for satisfactory work up to the termination date in that the Provider shall receive a portion of fees and expenses permitted under this Agreement in direct proportion to percentage of work actually completed up to the termination date. This provision shall not deprive the Town of any remedies against the Provider that may be available under applicable law.

16. **PROVIDER'S REPRESENTATIONS.** The Provider hereby represents to the Town that the Provider is financially solvent and possesses sufficient experience, licenses, authority, personnel, and working capital to complete the Services required under this Agreement.
17. **TOWN APPROVAL FOR ADDITIONAL WORK.** No payment, of any nature whatsoever, will be made to the Provider for additional work without the Town's written approval before such work begins.
18. **PERFORMANCE BY PROVIDER.** All Services provided by the Provider hereunder shall be performed in accordance with the highest professional standards and in accordance with Exhibit A, and the Provider shall be responsible for all Services provided hereunder whether such services are provided directly by the Provider or by any sub-Providers hired by the Provider. The Provider shall perform all duties and Services and make all decisions called for hereunder promptly and without unreasonable delay. The Provider shall not utilize sub-Providers to perform Services without the Town's prior written consent.



19. **DAMAGE.** In all instances where Town property and/or equipment is damaged by the Provider's employees, a full report of the facts, extent of the damage and estimated impact on the Provider's schedule shall be submitted to the Town by 8:00 a.m. of the following Town business day after the incident. If damage may result in further damages to the Town or loss of Town property, the Provider must notify Police Dispatch immediately. The Provider shall be fully liable for all damage to Town property or equipment caused by the Provider's officers, employees, agents or sub-Providers.
20. **TOWN OBJECTION TO PERSONNEL.** If at any time after entering into this Agreement, the Town has any reasonable objection to any of the Provider's personnel, or any personnel retained by the Provider, then the Provider shall promptly propose substitutes to whom the Town has no reasonable objection, and the Provider's compensation shall be equitably adjusted to reflect any difference in the Provider's costs occasioned by such substitution.
21. **COMPLIANCE WITH LAWS.** The Provider warrants and covenants to the Town that all Services will be performed in compliance with all applicable federal, state, county and Town laws, rules, and regulations including, but not limited to, the Texas Industrial Safety and Health Act and the Workers Right-to-Know Law. All necessary precautions shall be taken to assure that safety regulations prescribed by OSHA and the Town are followed.
22. **NON-BINDING MEDIATION.** In the event of any disagreement or conflict concerning the interpretation of this Agreement, and such disagreement cannot be resolved informally by the Town and the Provider, the Town and the Provider agree to submit such disagreement to non-binding mediation before pursuing any other legal remedy.
23. **ENTIRE CONTRACT.** This Agreement together with Exhibit A and B, attached hereto and any other exhibit attached hereto contains the entire contract between the Town and the Provider concerning the Services for the Project. There will be no understandings or contracts other than those incorporated herein. This Agreement may not be modified except by an instrument in writing signed by the Parties hereto. In the event of a conflict between an attachment to this Agreement and this Agreement, this Agreement shall control.
24. **MAILING ADDRESSES.** All notices and communications concerning this Agreement are to be mailed or delivered to the addresses shown below unless and until the other Party is otherwise notified in writing of a different address:

**Town of Little Elm**  
Rebecca Hunter, CPPB  
Purchasing Manager  
100 W. Eldorado  
Little Elm, TX 75068  
[rhunter@littleelm.org](mailto:rhunter@littleelm.org)

**Xylem Water Solutions USA, Inc.**  
Name:  
Title:  
Street Address:  
City, State, Zip:  
Email:

Any notices and communications required to be given in writing by one Party or the other shall be considered as having been given to the addressee on the date in the notice or communication is placed in the United States Mail or hand-delivered.

25. **LEGAL CONSTRUCTION.** If any one or more of the provisions contained in this Agreement for any reason is held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been included.
26. **GOVERNING LAW.** The validity of this Agreement and any of its terms or provisions as well as the rights and duties of the Parties hereunder, shall be governed by and construed in accordance with Texas law. Exclusive venue for any legal action concerning this Agreement shall be located in Denton County, Texas.

27. **COUNTERPARTS.** This Agreement may be signed in multiple counterparts, each of which shall be deemed to be an original.
28. **EFFECTIVE DATE.** This Agreement shall be effective once it is signed by the Town and the Provider, as indicated below.

**EXECUTED in single or multiple originals, this \_\_\_\_\_ day of \_\_\_\_\_, 2024.**

**TOWN OF LITTLE ELM**

**Xylem Water Solutions USA, Inc.**

\_\_\_\_\_  
Matt Mueller, Town Manager

\_\_\_\_\_  
Type/Print Name and Title



# **Town of Little Elm**

## **Request for Proposal**

**2024-06**

Submersible Sewage Pump  
for Wastewater Treatment Plant Lift Station

## Part I: General

### Updated 1/29/2024:

**PURPOSE:** The Town of Little Elm, herein after “Town”, seeks to contract with a qualified Individual, Firm, or Corporation, hereafter referred to as “Respondent”, to furnish one (1) submersible sewage pump, motor, power cable, lifting chain, mounting hardware and fasteners, claw adapter to fit provided guide claw, controls, and all appurtenances needed for the installation and functionality of the pump in the existing lift station wetwell for the Little Elm Wastewater Treatment Plant located at 1600 Mark Tree Ln. Little Elm, TX 75068 in conjunction with the attached specifications. All measurements, fit, and electrical needs should be verified by a representative prior to submitting a bid.

### Original:

~~**PURPOSE:** The Town of Little Elm, herein after “Town”, seeks to contract with a qualified Individual, Firm, or Corporation, hereafter referred to as “Respondent”, to furnish one (1) submersible sewage pump, motor, guide rails, power cable, lifting chain, mounting hardware and fasteners, discharge base elbow, controls, control panel, and all appurtenances needed to build a working system in the existing lift station wetwell for the Little Elm Wastewater Treatment Plant located at 1600 Mark Tree Ln. Little Elm, TX 75068 in conjunction with the attached specifications. All measurements, fit, and electrical needs should be verified by a representative prior to submitting a bid.~~

1. **GENERAL TERMS AND CONDITIONS:** By submitting a response to this solicitation, the Respondent agrees that the Town’s standard General Terms and Conditions, in effect at the time of release of the solicitation, shall govern unless specifically provided otherwise in a separate Agreement or Letter of Engagement or on the face of a purchase order.
2. **INSURANCE:** The Respondent shall obtain and maintain for the entire duration of the agreement, insurance coverage as listed in the Town’s insurance requirements document.
3. **CLARIFICATION:** All questions or clarifications of specifications must be submitted through the Town’s eProcurement system.
4. **ADDENDA:** All changes to specification will be in the form of a written addenda. No authority is intended or implied that specifications may be amended or alterations accepted prior to solicitation opening without written approval of the Town of Little Elm Purchasing Manager.
6. **EX PARTE COMMUNICATION:** Please note that to ensure the fair evaluation of a solicitation, the Town prohibits ex parte communication (e.g., unsolicited) initiated by the Respondent to a Town representative evaluating or considering the solicitations prior to the time a decision has been made. Communication between Respondent and the Town will be initiated by the appropriate Town designee in order to obtain information or clarification needed to develop an accurate evaluation of the solicitation. Ex parte communication may be grounds for disqualifying the offending Respondent from consideration for award.
7. **MINIMUM QUALIFICATIONS:**  
Respondents shall be firms, corporations, individuals or partnerships normally engaged in the development of wastewater lift stations and submersible sewage pumping systems.
8. **EVALUATION CRITERIA:** The Town will select the most highly qualified Provider responding to the request, based upon demonstrated competence and the Proposal.

The following is a summary of evaluation factors and the point value assigned to each. These weighted factors will be used in the evaluation of the individual proposals submitted. The City will select the most highly qualified provider responding to the request based on these criteria.

## Exhibit A

<u>Factor</u>	<u>Points</u>
1. Manufacturer references with regard to quality, track record, customer service, etc.	25
2. Ability of the pump to meet specifications	40
3. Warranty duration	20
4. Cost	15
<b>Total</b>	<hr/> 100

10. **AGREEMENT TERM:**

- a) If the Respondent fails to perform its duties in a reasonable and competent manner, the Town shall give written notice to the Respondent of the deficiencies and the Respondent shall have thirty (30) days to correct such deficiencies. If the Respondent fails to correct the deficiencies within the thirty (30) days, the Town may terminate the agreement or letter of engagement by giving the Respondent written notice of termination and the reason for the termination.
- b) If the agreement or Letter of Engagement is terminated, for any reason, the Respondent shall turn over all records, to include but not be limited to the following: records of services, deliverables, and transactions, to the Town within fifteen (15) working days after completion of duties contained in the agreement or letter of engagement.

11. **AWARD:** The Town reserves the right to enter into an Agreement or a Purchase Order with a single award, split awards, non-award, or use any combination that best serves the interest and at the sole discretion of the Town. Award announcement will be made upon Town Council approval of staff recommendation and executed agreement. The Town reserves the right to reject any or all responses, or delete any portion of the response, or to accept any response deemed most advantageous, or to waive any irregularities or informalities in the response received that best serves the interest and at the sole discretion of the Town

12. **PROMPT PAYMENT POLICY:** Payments will be made in accordance with the Texas Prompt Payment Law, Texas Government Code, Subtitle F, Chapter 2251. The Town will pay Vendor within thirty days after the acceptance of the supplies, materials, equipment, or the day on which the performance of services was completed or the day, on which the Town receives a correct invoice for the supplies, materials, equipment, or services, whichever is later. The Vendor may charge a late fee (fee shall not be greater than that which is permitted by Texas law) for payments not made in accordance with this prompt payment policy; however, this policy does not apply to payments made by the Town in the event:

- a) There is a bona fide dispute between the Town and Vendor concerning the supplies, materials, services or equipment delivered or the services performed that causes the payment to be late; or
- b) The terms of a federal agreement, grant, regulation, or statute prevent the Town from making a timely payment with Federal Funds; or
- c) There is a bona fide dispute between the Vendor and a sub-contractor or between a sub-contractor and its suppliers concerning supplies, material, or equipment delivered or the services performed which caused the payment to be late; or

## Exhibit A

- d) The invoice is not mailed to the Town in strict accordance with instructions, if any, on the purchase order or letter of engagement or other such contractual letter of engagement.
13. **NON-APPROPRIATION:** The resulting Agreement is a commitment of the Town's current revenues only. It is understood and agreed that the Town shall have the right to terminate the Agreement at the end of any Town fiscal year if the governing body of the Town does not appropriate funds sufficient to purchase the estimated yearly quantities, as determined by the Town's budget for the fiscal year in question. The Town may affect such termination by giving Vendor a written notice of termination at the end of its then current fiscal year.

## Exhibit A

RFP 2024-06

Specifications for

SUBMERSIBLE RAW SEWAGE PUMP

PART 1 - GENERAL

### 1.1 SCOPE

A. The intent of these specifications is to furnish one (1) submersible sewage pump, motor, power cable, lifting chain, mounting hardware and fasteners, claw adapter to fit provided guide claw, controls, and all appurtenances needed to build a working system in the existing lift station wetwell. The pump and appurtenance shall be equal in all respects to that manufactured by Flygt Pumps, Xylem Inc .

B. The raw sewage pump shall be designed for handling raw, unscreened wastewater and storm water. The fluid temperature range shall be from 40° to 100°F. The equipment shall be designed such that the pump unit can be automatically and firmly connected to the discharge piping when lowered into place on a mating discharge connection permanently installed in the wet pit. The pump shall be easily removable for inspection or service, requiring no bolts, nuts or other fastening to be disconnected. There shall be no need for personnel to enter the wet pit for inspection or maintenance of the pump. Sealing of the pumping unit to the discharge connection elbow shall be accomplished by a simple linear downward motion of the pump. Pump, motor and accessories shall be designed for watertight operation with continuous submergence under 65 feet of water with a maximum temperature of 100°F.

C. The contractor shall supply all necessary controls and starters inside the existing control panel. The controls shall provide all necessary components for proper starting and operation of the pump. This shall include a circuit that monitors the seal sensors and heat sensors in the pump, as described herein.

D. All motors and electrical appurtenances to be installed inside the wet well shall be U.L. rated as explosion-proof, suitable for use in a Class I, Group D, Division 1 location, as defined by the National Electric Code. The motor shall bear the FM (Factory Mutual) or UL (Underwriter's Laboratories) explosion-proof label certifying its use in a Class 1, Division 1, Groups C & D hazardous location.

## Exhibit A

### PART 2 - PRODUCTS

#### 2.1 OPERATING CONDITIONS

A. Each unit shall produce 2,800 GPM at 74 ft. TDH, with a minimum pump efficiency of 70%. The pump shall be capable of handling an 8% solid concentration. The pump shall be non-overloading throughout the entire range of operation without employing service factor. The performance curve submitted for approval shall state in addition to head and capacity performance, the pump efficiency, solid handling capacity, and reflect motor service factor.

#### 2.2 CONSTRUCTION

A. The pump shall be a centrifugal, non-clog, solids handling, submersible, wastewater type; the pump volute, motor, and seal housing shall be high-quality gray cast iron, ASTM A48 Class 35 cast iron. The pump discharge shall be fitted with an 8" standard ASA 125-lb. flange, faced and drilled. All fasteners exposed to the pumped liquids shall be 300 series stainless steel.

#### 2.3 ELECTRICAL POWER CORD

A. Cables shall be of the "SO" type and shall conform to industry standards for loads, resistance under submersion against sewage, and be of stranded construction. The cables shall enter the pump through a heavy duty galvanized cast iron entry assembly which shall be provided with an external clamp assembly to protect against tension once secured providing a strain relief function as part of standard construction.

B. Power and control cables shall be furnished in lengths to run unspliced from the pump to the pump control panel. Cables shall terminate with conductor sleeves that bundle the entire group of strands of each phase to improve termination at the pump control panel. The sleeves shall be provided to confirm that all strands of each conductor is terminated properly. Termination shall be coordinated with the connection to the Pump Control Panel.

C. The cables for each pump shall pass through the galvanized cast iron strain relief component and then through a series of stainless steel disks and Buna-n grommet that is sandwiched between the disks to control compression of the grommet. The cable entry design shall be of the type recommended in the Factory Mutual Research Corporation specifications for Explosion Proof Certification. The entry shall be



## Exhibit A

comprised of the cast iron fitting that will include the Buna-N strain relief grommet coupled with a poured conductor section. In the poured section, only Factory Mutual approved sealant shall be used to wick into each conductor strand that has the insulation removed in this area to provide a positively leak proof seal for the power and sensor cords.

### 2.4 MOTOR

A. Each pump shall be furnished with a squirrel cage, induction motor enclosed in a watertight housing suitable for use and compatible with all variable frequency drive systems.

B. The motors shall be air-filled and constructed with moisture-resistant NEMA Class F insulation and Class H slot liners and constructed to NEMA B design standards. The copper wound stator shall be triple dipped in epoxy enamel and baked to withstand a temperature of 155° Centigrade as defined in NEMA Standard MG-1. Each winding phase or layer shall be laced with type H glass-lined paper. The rotor shall be statically and dynamically balanced after fabrication.

C. Motors shall be capable of sustaining 15 starts per hour at a minimum ambient temperature of 40°C.

D. Motors shall be capable of uninterrupted operation with a voltage variation of +/- 10%

E. The power cables entering the motor housing shall connect to individual terminal pins, which separates the incoming service from the pump motor

F. The motor shall be furnished to monitor stator temperatures. Thermal switches/sensors shall automatically de-energize the motor when its temperature exceeds a preset limit as recommended by the manufacturer.

### 2.5 BEARINGS AND SHAFT

A. An upper radial bearing and a lower thrust bearing shall be required. These shall be heavy-duty single-row ball bearings which are permanently lubricated by the dielectric oil which fills the motor housing. Double-row, sealed grease-packed bearings shall not be acceptable. Bearings that require lubrication according to a prescribed schedule shall not be acceptable. The upper and lower radial bearings shall have a minimum B-10 life at the specified condition of 100,000 hours.

B. The shafts shall meet AISI 431 stainless steel standards. Carbon steel shafts or shafts with sleeves of any type are not acceptable. The shaft shall be one piece construction without joints or stubs attached.

## Exhibit A

C. All shafts shall be dynamically balanced and shall be amply sized to transmit full driver output with a maximum deflection of 0.002 inches measured at the lower seal. The distance from the lower bearing to the hub of the impeller shall not exceed 2.5 times the shaft diameter when the shaft diameter is measured at the lowest bearing.

### 2.6 SEALS

A. Each pump shall be provided with an enclosed block mechanical seal with the seal housing and spring system constructed of corrosion-resistant cemented tungsten carbide (WCCR) or Corrosion resistant silicon carbide (RSiC)

B. A moisture sensor shall be furnished to sense seal failure for each pump. This sensor shall be wired to the Pump Control Panel and shall activate an alarm light upon seal failure.

### 2.7 IMPELLER

A. Pump impellers shall be manufactured ASTM-A 532- Alloy III A iron and shall be of the solids handling non-clog type capable of passing a minimum 8% solid consistency.

B. The impeller shall be of a semi-open channel designed for self-cleaning.

C. Impellers shall be key-driven and securely held to the shaft by a streamlined impeller washer and bolt assembly specifically designed to reduce friction in the suction eye of the impeller. The arrangement shall be such that the impeller cannot unscrew or be loosened by torque from either forward or reverse rotation. Designs based on threaded connection between pump shaft and impeller will not be considered.

D. The impeller shall be capable of passing an 8% solids consistency through the bottom of the impeller and through the sides of the impeller.

### 2.8 CASING

A. The volute casing shall be constructed of ASTM A48 minimum Class 35 cast iron capable of prolonged resistance to raw sewage.

B. Face and drill flanges of suction and discharge connections in accordance with 125 lb. ANSI standard.

C. All nuts, bolts, washers, and other fastening devices supplied with the pump shall be Type 316 stainless steel.

## Exhibit A

D. All mating surfaces requiring a watertight seal shall be machined and fitted with nitrile rubber 70° IRH. Paper gaskets are not acceptable.

### 2.9 SERVICEABILITY

A. The complete rotating assembly shall be capable of being removed from the volute without disturbing discharge piping or volute. The motor housing, seal housing with seal plate and impeller still attached to the shaft shall be capable of being lifted out of the volute case from the top as one assembly.



***Xylem Water Solutions USA, Inc.***

January 30, 2024

***Flygt Products***

LITTLE ELM WASTEWATER DIVISION  
100 W. ELDORADO PKWY.  
LITTLE ELM TEXAS 75068

2310 McDaniel Drive  
Carrollton, TX 75006

Tel (972) 418-2400

Quote # 2024-DAL-0057

Fax (972) 416-9570

Job Name: Little Elm Treatment Plant 3231

Xylem Water Solutions USA, Inc. is pleased to provide a quote for the following Flygt equipment.

### Pump

Qty	Description
1	<p>Flygt NP 3231, 63-680, 390 mm Intended for semi permanent wet installation, guiding claw included other installation components to be ordered individually Hard iron impeller and insert ring Drive Unit: 615 6 pole, 90 hp, 460 V, Std motor Approval: FM Ex Cooling jacket for direct media cooling Insulated support bearing Cables Power: 50ft SUBCAB 3X50+2G35/2+S(2X0.5) Cable Grip included. Material Shaft: AISI 431 Stainless steel Supervision FLS, leakage detector, in junction box FLS, leakage detector, in stator housing PT-100 in one stator winding PT-100 in lower bearing Pump memory</p>
1	SOCKET,11 PIN OCTAL DIN MOUNT
1	MINI-CASII 120V
1	SLING,CHAIN UNIT POLY ROPE 10M
1	316 SS 7/8 inch shackle, 8000 lbs. capacity

**Total Price \$ 60,000.00**

**The volute discharge will have an 8-inch ANSI bolt pattern**  
**The motor will have Class H insulation**  
**Pump shaft meets AISI 431 stainless steel standards**  
**The impeller meets section 2.7 A. requirement**  
**100,000 bearing life**  
**5-year prorated warranty. 100% for the first 24 months**

## Exhibit A

### Terms & Conditions

This order is subject to the Standard Terms and Conditions of Sale – Xylem Americas effective on the date the order is accepted which terms are available at <http://www.xyleminc.com/en-us/Pages/terms-conditions-of-sale.aspx> and incorporated herein by reference and made a part of the agreement between the parties.

**Purchase Orders:** Please make purchase orders out to: Xylem Water Solutions USA, Inc.  
**Freight Terms:** 3 DAP - Delivered At Place 08 - Jobsite (per IncoTerms 2020)  
See Freight Payment (Delivery Terms) below.  
**Taxes:** State, local and other applicable taxes are not included in this quotation.  
**Back Charges:** Buyer shall not make purchases nor shall Buyer incur any labor that would result in a back charge to Seller without prior written consent of an authorized employee of Seller.  
**Shortages:** Xylem will not be responsible for apparent shipment shortages or damages incurred in shipment that are not reported within two weeks from delivery to the jobsite. Damages should be noted on the receiving slip and the truck driver advised of the damages. Please contact our office as soon as possible to report damages or shortages so that replacement items can be shipped and the appropriate claims made.  
**Time of Delivery:** Approx. 14-16 working weeks after receipt of order.  
**Terms of Delivery:** Prepaid  
**Validity:** This Quote is valid for thirty (30) days.  
Please note that this pricing is valid for 30 days and contingent upon final approval of submittals and release to fabrication by (within 90 days of bid date). This quotation is subject to change if any changes to the specifications or plans are made that alter the scope of supply.  
**Terms of Payment:** 100% N30 after invoice date.  
Xylem's payment shall not be dependent upon Purchaser being paid by any third party unless Owner denies payment due to reasons solely attributable to items related to the equipment being provided by FLYGT.  
**Warranty:** Xylem Water Solutions USA, Inc. offers a commercial warranty to the original end purchaser against defects in workmanship and material.  
**Changes:** This Quote is based on the current design criteria provided to Xylem Water Solutions USA, Inc. Revisions may result in price changes.  
**Exclusions:** This Quote includes only the items listed specified above.  
**COVID 19:** Delivery lead-times may be impacted by the current COVID-19 virus pandemic relative to transportation logistics.

Thank you for the opportunity to provide this quotation. Please contact us if there are any questions.

Sincerely,



Matt Rottman  
Sales Representative  
Phone: 972-418-2400  
Cell: 214-288-6621  
[matt.rottman@xylem.com](mailto:matt.rottman@xylem.com)



*Xylem Water Solutions USA, Inc.*

*Flygt Products*

**Customer Acceptance**

This order is subject to the Standard Terms and Conditions of Sale – Xylem Americas effective on the date the order is accepted which terms are available at <http://www.xyleminc.com/en-us/Pages/terms-conditions-of-sale.aspx> and incorporated herein by reference and made a part of the agreement between the parties.

A signed copy of this Quote is acceptable as a binding contract.

**Purchase Orders:** Please make purchase orders out to: Xylem Water Solutions USA, Inc.

Quote #: 2024-DAL-0057  
Customer Name: LITTLE ELM WASTEWATER DIVISION  
Job Name: Little Elm Treatment Plant 3231  
Total Amount: **\$ 63,500.00**

Signature: _____	Name: _____ (PLEASE PRINT)
Company/Utility: _____	PO: _____
Address: _____	Date: _____
_____	Phone: _____
_____	Email: _____
_____	Fax: _____

## Exhibit A

Remove Guide Claw, add ANSI pattern drilled volute discharge

### NP 3231/615 3~ 680

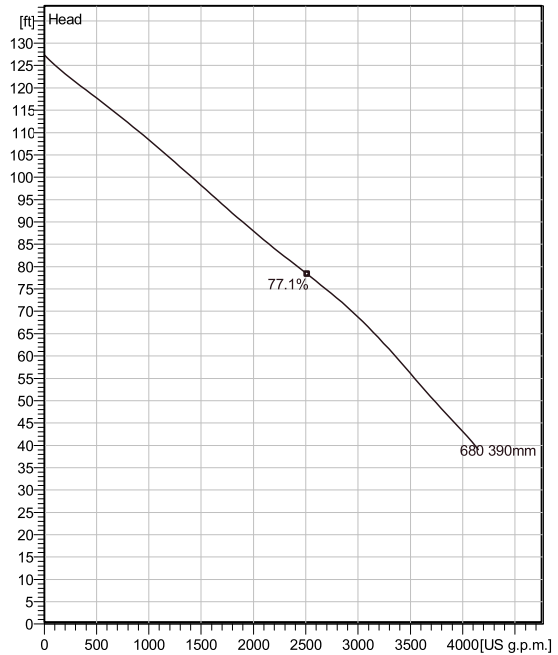
Patented self cleaning semi-open channel impeller, ideal for pumping in waste water applications. Modular based design with high adaptation grade.



#### Technical specification



Curves according to: Water, pure Water, pure [100%], 39.2 °F, 62.42 lb/ft<sup>3</sup>, 1.6891E-5 ft<sup>2</sup>/s



Nominal (mean) data shown. Under- and over-performance from this data should be expected due to standard manufacturing tolerances.  
Please consult your local Flygt representative for performance guarantees.

#### Configuration

<b>Motor number</b> N0615.000 35-29-6AA-W 90hp	<b>Installation type</b> P - Semi permanent, Wet
<b>Impeller diameter</b> 390 mm	<b>Discharge diameter</b> 8 inch

#### Pump information

<b>Impeller diameter</b> 390 mm
<b>Discharge diameter</b> 8 inch
<b>Inlet diameter</b> 250 mm
<b>Maximum operating speed</b> 1185 rpm
<b>Number of blades</b> 3
<b>Max. fluid temperature</b> 40 °C

#### Material

<b>Impeller</b> Grey cast iron
-----------------------------------

**Project** Xylect-21718024  
**Block**

**Created by** Matt Rottman  
**Created on** 1/19/2024 **Last update** 1/19/2024

# Exhibit A

## NP 3231/615 3~ 680

### Technical specification



#### Motor - General

<b>Motor number</b> N0615.000 35-29-6AA-W 90hp	<b>Phases</b> 3~	<b>Rated speed</b> 1185 rpm	<b>Rated power</b> 90 hp
<b>ATEX approved</b> FM	<b>Number of poles</b> 6	<b>Rated current</b> 115 A	<b>Stator variant</b> 1
<b>Frequency</b> 60 Hz	<b>Rated voltage</b> 460 V	<b>Insulation class</b> H	<b>Type of Duty</b> S1
<b>Version code</b> 000	<b>Direct media cooling system</b>		

#### Motor - Technical

<b>Power factor - 1/1 Load</b> 0.81	<b>Motor efficiency - 1/1 Load</b> 91.0 %	<b>Total moment of inertia</b> 35.1 lb ft <sup>2</sup>	<b>Starts per hour max.</b> 15
<b>Power factor - 3/4 Load</b> 0.76	<b>Motor efficiency - 3/4 Load</b> 91.5 %	<b>Starting current, direct starting</b> 685 A	
<b>Power factor - 1/2 Load</b> 0.66	<b>Motor efficiency - 1/2 Load</b> 91.0 %	<b>Starting current, star-delta</b> 228 A	

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# Exhibit A

## NP 3231/615 3~ 680

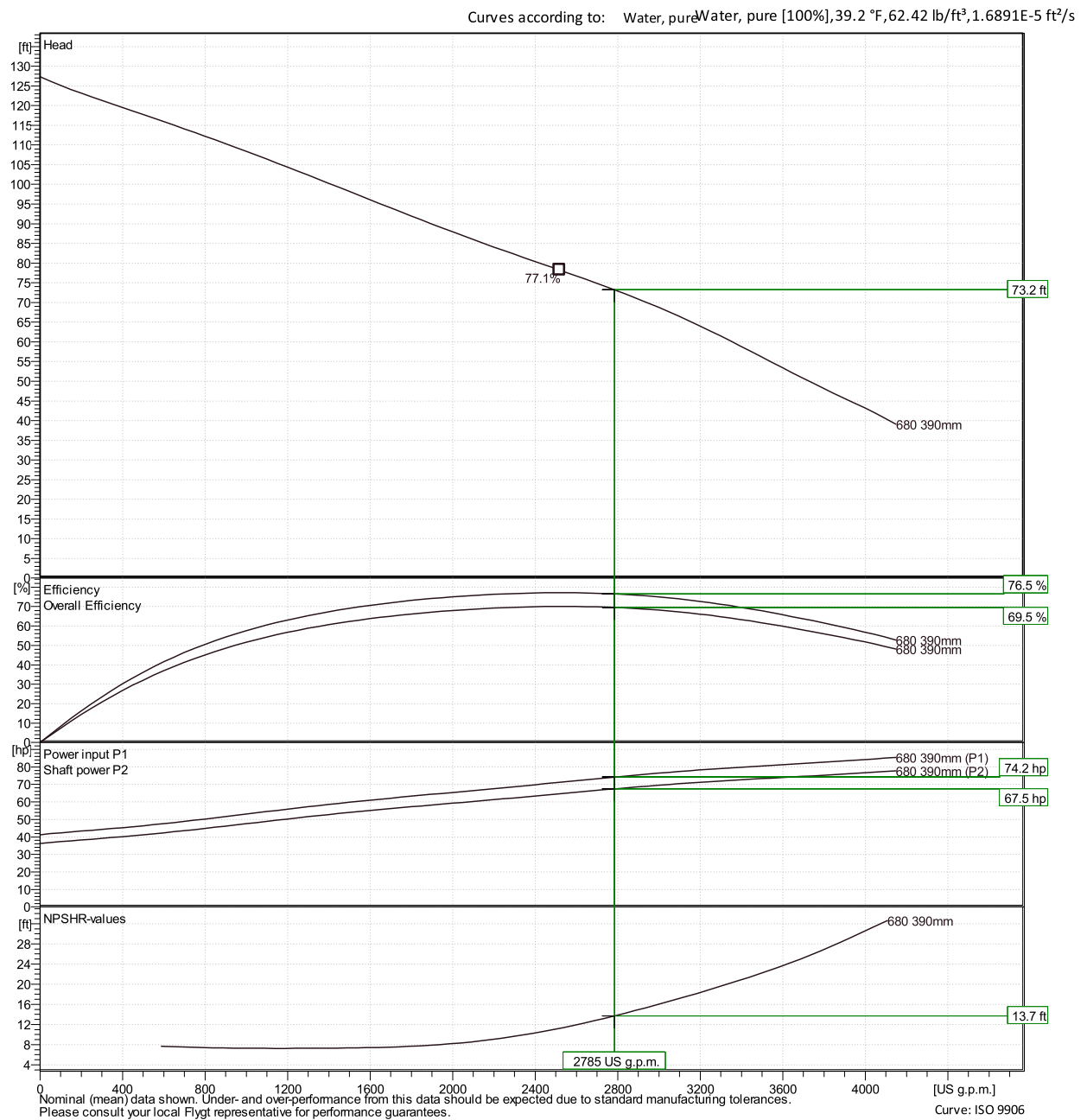
### Performance curve



#### Duty point

Flow  
2780 US g.p.m.

Head  
73.2 ft



Xylect-21718024

Matt Rottman

Created on 1/19/2024 Last update 1/19/2024

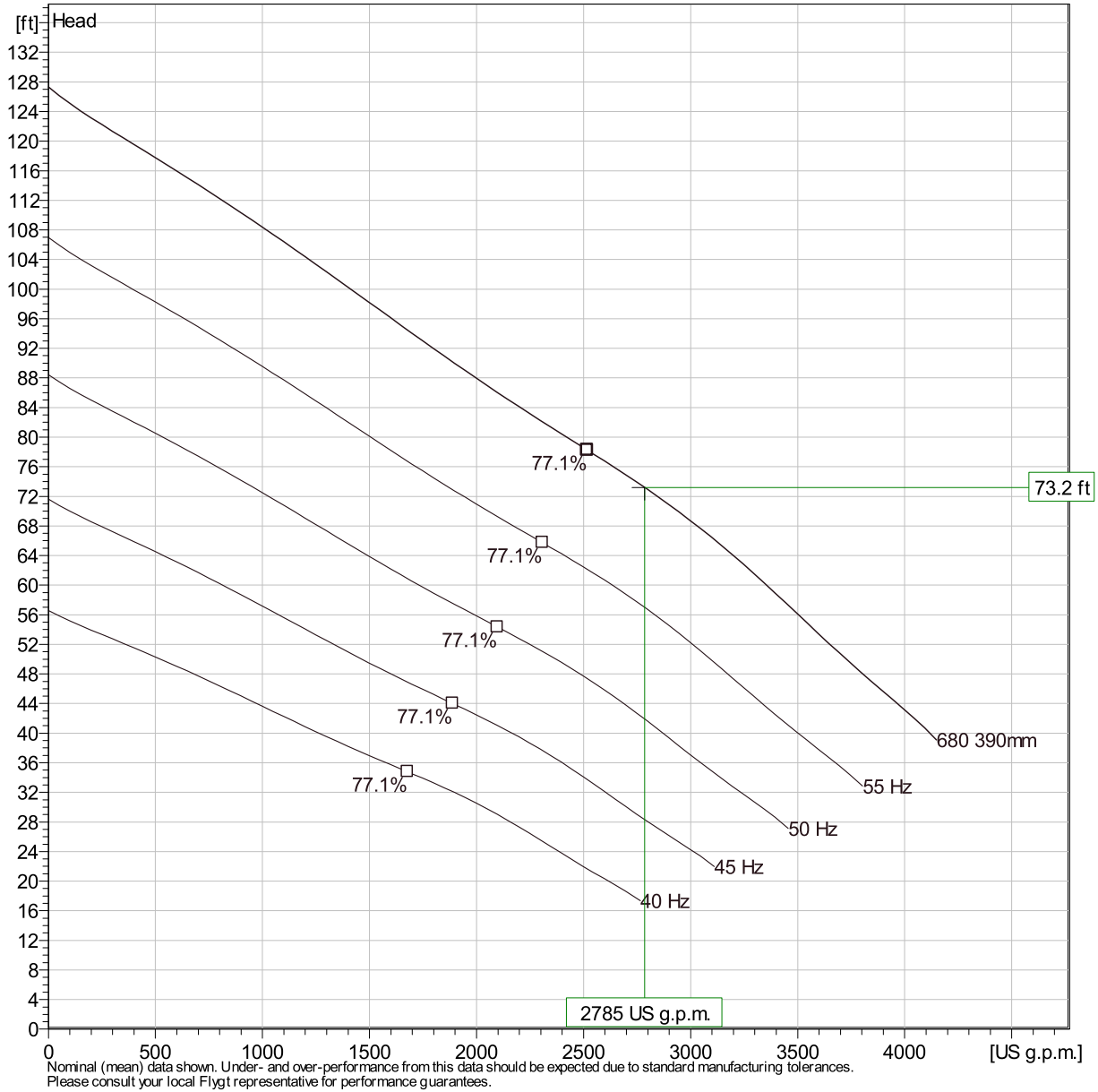
# Exhibit A

## NP 3231/615 3~ 680

### Duty Analysis



Curves according to: Water, pure [100%] ; 39.2°F; 62.42lb/ft³; 1.6891E-5ft²/s



### Operating characteristics

Pumps / Systems	Flow US g.p.m.	Head ft	Shaft power hp	Flow US g.p.m.	Head ft	Shaft power hp	Hydr.eff.	Spec. Energy kWh/US MG	NPSHre ft
1	2780	73.2	67.5	2780	73.2	67.5	76.5 %	331	13.7

Project

Block Xylect-21718024

Created by

Matt Rottman

Created on

1/19/2024

Last update

1/19/2024

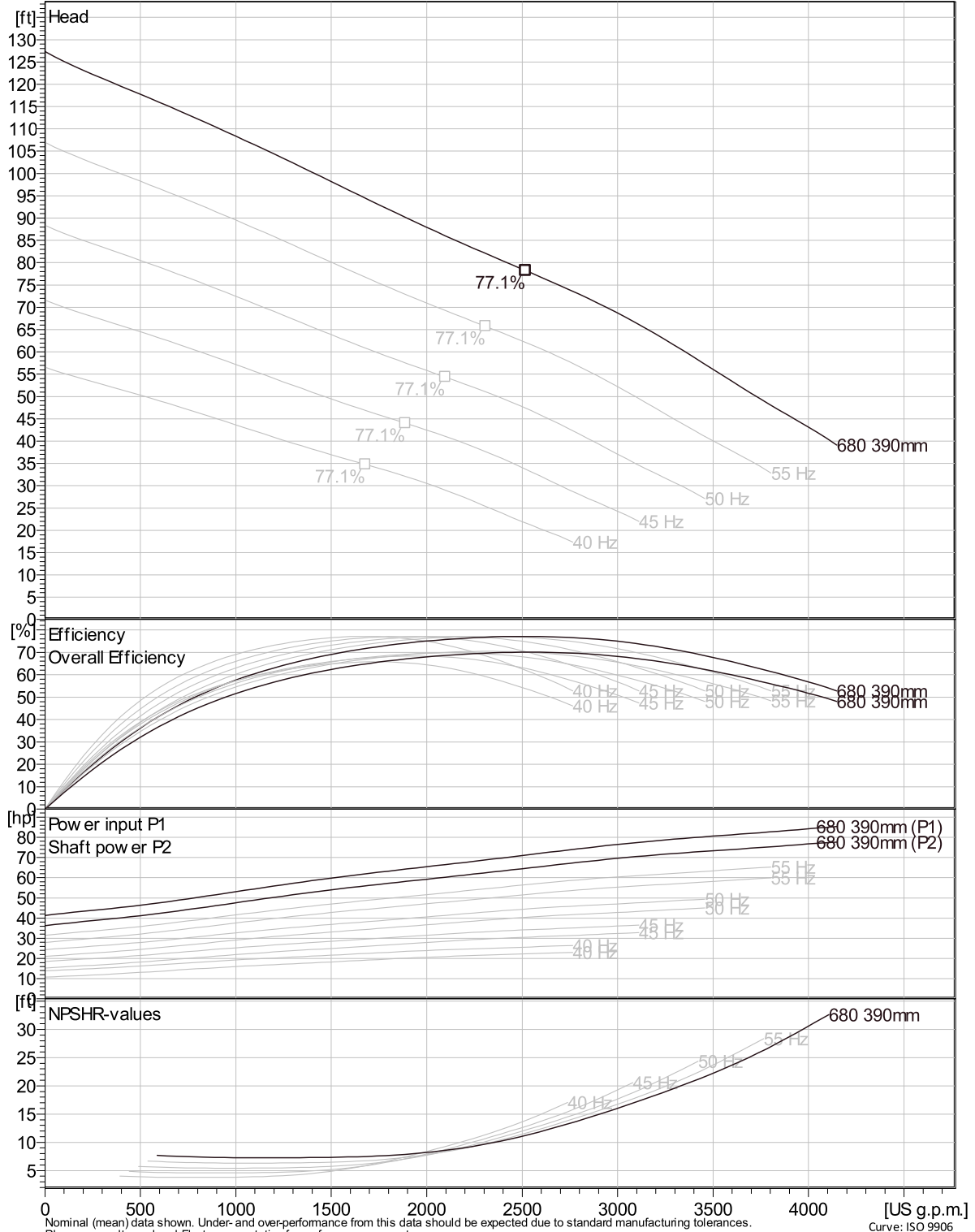
# Exhibit A

## NP 3231/615 3~ 680

### VFD Curve



Curves according to: Water, pure, 39.2 °F, 62.42 lb/ft³, 1.6891E-5 ft²/s



Curve: ISO 9906

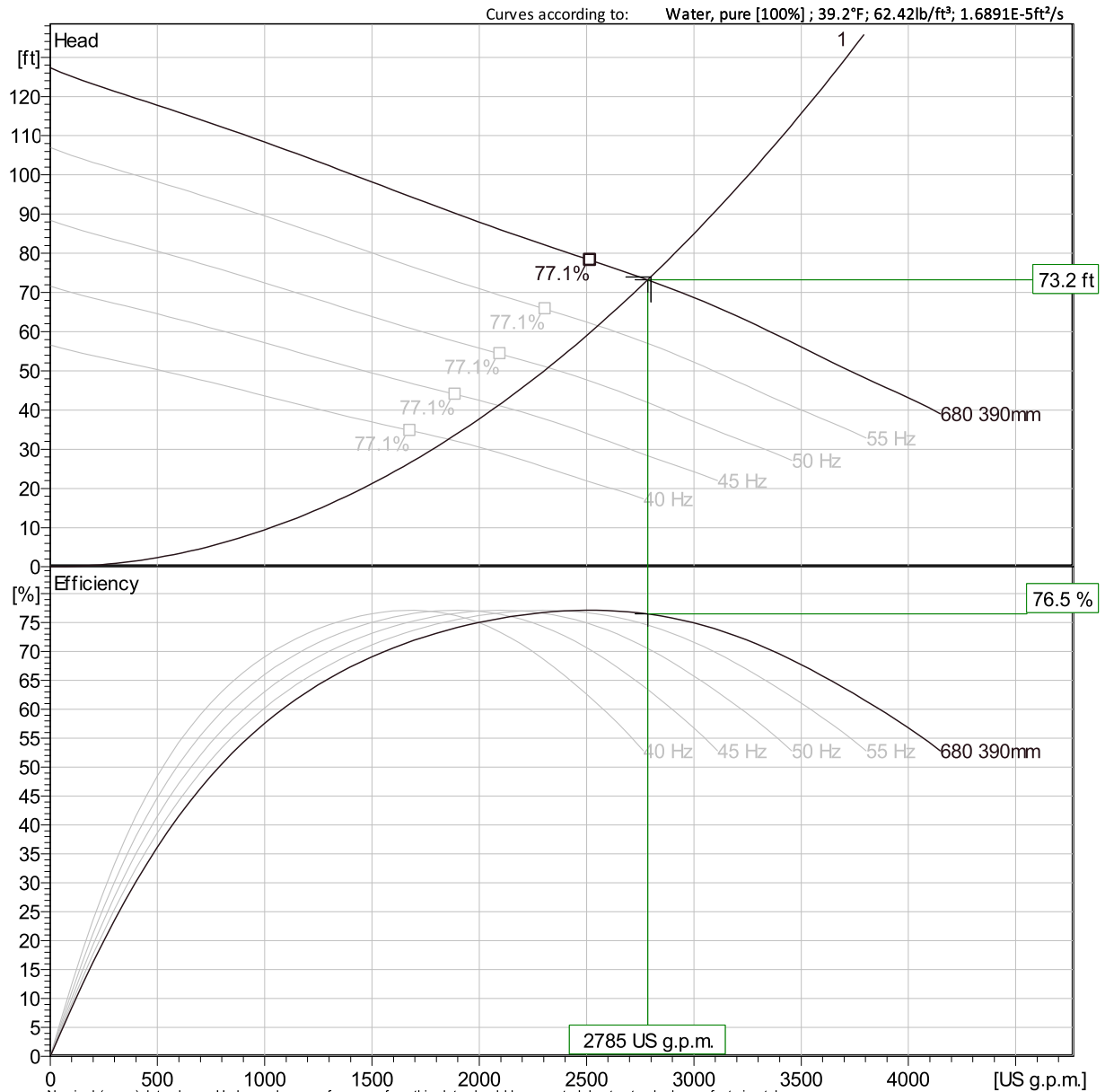
Project Xylect-21718024  
Block

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# Exhibit A

## NP 3231/615 3~ 680

### VFD Analysis



Nominal (mean) data shown. Under- and over-performance from this data should be expected due to standard manufacturing tolerances.

Please consult your local Flygt representative for performance guarantees.

### Operating Characteristics

Pumps / Systems	Frequency	Flow	Head	Shaft power	Flow	Head	Shaft power	Hydr. eff.	Specific energy	NPSH <sub>r</sub>
		US g.p.m.	ft	hp	US g.p.m.	ft	hp		kWh/US MG	
1	60 Hz	2780	73.2	67.5	2780	73.2	67.5	76.5 %	331	13.7
1	55 Hz	2550	61.5	52	2550	61.5	52	76.5 %	277	11.9
1	50 Hz	2320	50.8	39	2320	50.8	39	76.5 %	231	10.2
1	45 Hz	2090	41.2	28.5	2090	41.2	28.5	76.5 %	191	8.66

Project Xylect-21718024

Block

Created by Matt Rottman

Created on 1/19/2024

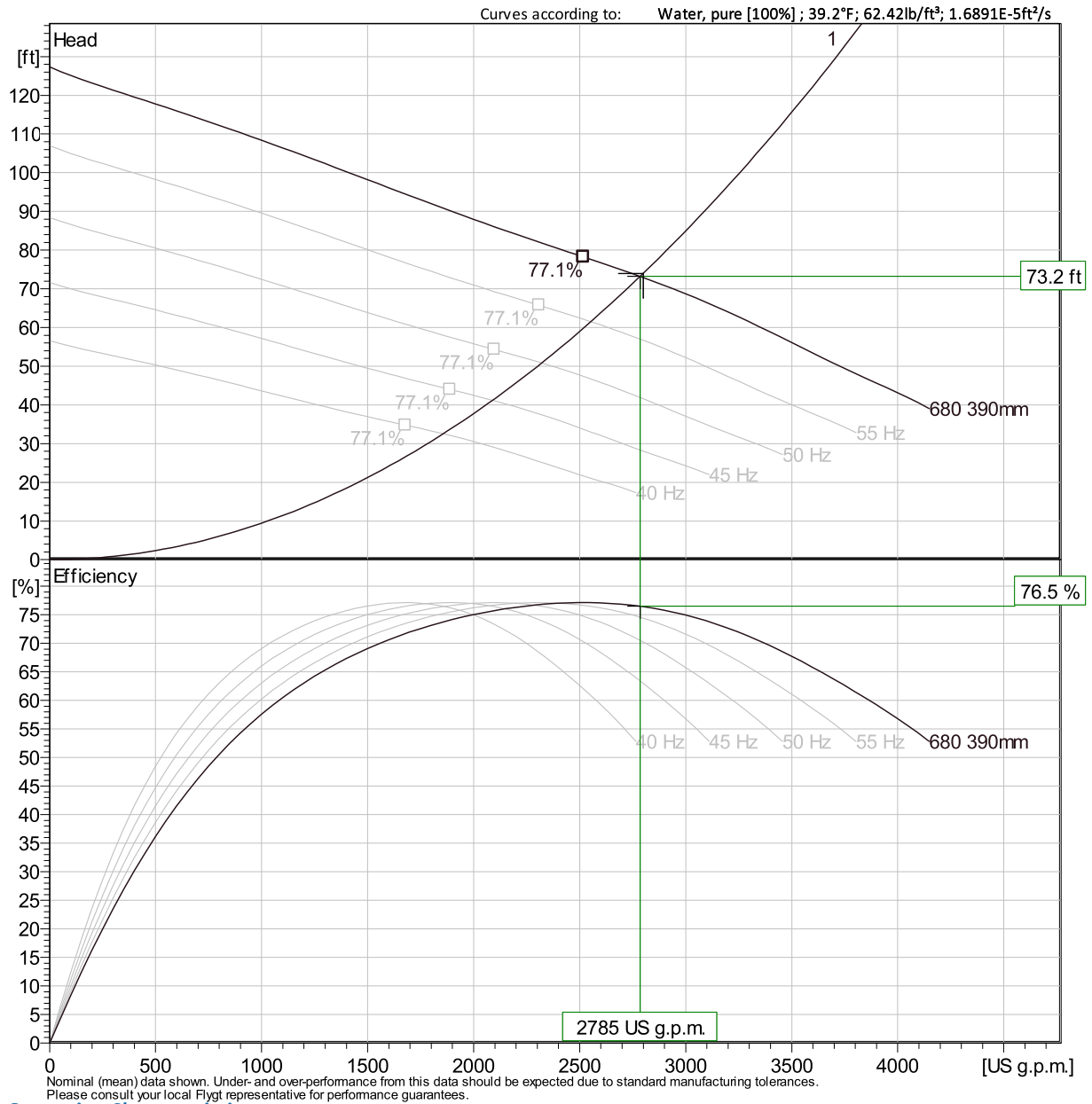
Last update

1/19/2024

# Exhibit A

## NP 3231/615 3~ 680

### VFD Analysis



### Operating Characteristics

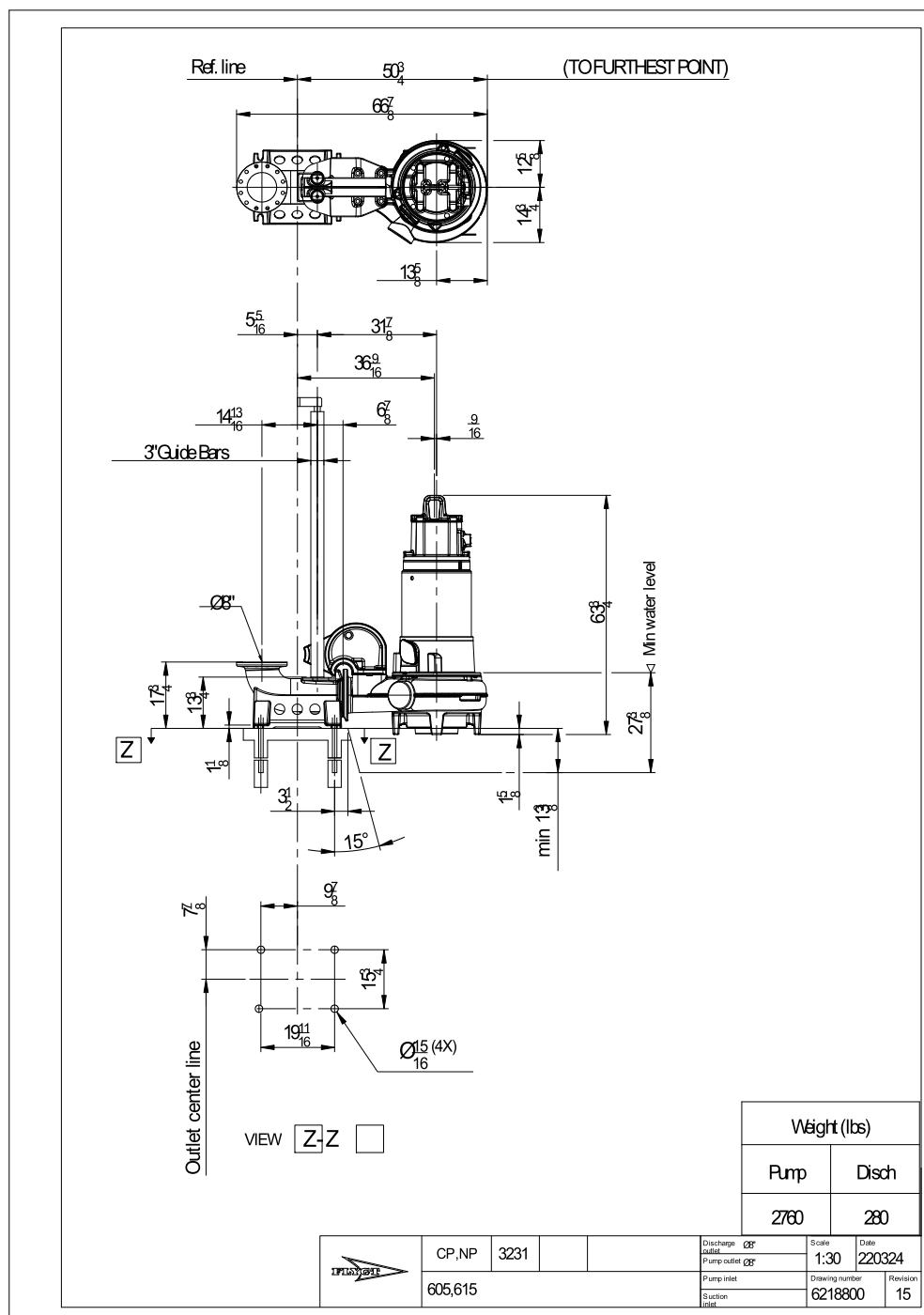
Pumps / Systems	Frequency	Flow	Head	Shaft power	Flow	Head	Shaft power	Hydr. eff.	Specific energy	NPSHre
		US g.p.m.	ft	hp	US g.p.m.	ft	hp		kWh/US MG	ft
1	40 Hz	1860	32.5	20	1860	32.5	20	76.5 %	156	7.17

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Block

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Created on 1/19/2024  
Last update 1/19/2024

## NP 3231/615 3~ 680

## Dimensional drawing



Project	Xylect-21718024
Block	

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Created on 1/19/2024 Last update

1/19/2024



# WARRANTY

## Xylem Water Solutions USA, Inc.

For the period defined, Xylem Water Solutions USA, Inc. offers a commercial warranty to the original End Purchaser against defects in workmanship and material on Flygt Products. Warranty covers Flygt parts and labor as outlined in **ADDENDUM – A**.

### COVERAGE:

Xylem Water Solutions USA, Inc. will pay the cost of parts and labor during the warranty period, provided that the Flygt product, with cable attached, is returned prepaid to a Xylem Water Solutions USA, Inc. Authorized Service Facility for Flygt Product repairs. Coverage for Flygt parts and labor will be provided for the period shown in **ADDENDUM - A**. The warranty period will begin from date of shipment or date of a valid Start-up (For permanently installed pumps only). In cases where the Start-up date is used as the beginning of the warranty on a permanently installed Flygt pump, a Start-up Report completed by an approved service technician from a Xylem Water Solutions USA, Inc. Authorized Service Facility for Flygt products must be received by the Xylem Water Solutions USA, Inc. Area Service Manager for Flygt Products within thirty (30) days of the initial onset of the unit placed into service. If not received, the beginning of the warranty coverage will default to the Flygt product ship date. A Start-up for a permanently installed Flygt pump must occur within one (1) year from the date of shipment from a Xylem Water Solutions USA, Inc. authorized facility for Flygt Products or warranty will automatically default to ship date as start of warranty. (See **STORAGE** section) When using the start-up date as the beginning of the warranty, a copy of the Start-up Report will be required to support any Warranty Claims. Warranty on Flygt Dewatering pumps will begin with ship date only. No other date on Flygt Dewatering pumps will be considered.

Xylem Water Solutions USA, Inc.'s sole obligation under this Warranty for Flygt Products shall be to replace, repair or grant credit for Flygt Products upon Xylem Water Solutions USA, Inc.'s exclusive determination that the Flygt Product does not conform to the above warranty. In the event that the Flygt product is replaced, warranty on the replacement product will be equal to the balance remaining on the original product or ninety (90) days, whichever is greater.

### MISUSE:

This Warranty shall not apply to any Flygt product or part of Flygt product which (i) has been subjected to misuse, misapplication, accident, alteration, neglect, or physical damage (ii) has been installed, operated, used and/or maintained in a manner which is in an application that is contrary to Xylem Water Solutions USA, Inc.'s printed instructions as it pertains to installation, operation and maintenance of Flygt Products, including but without limitation to (iii) operation of equipment without being connected to monitoring devices supplied with specific products for protection; or (iv) damaged due to a defective power supply, improper electrical protection, faulty installation or repair, ordinary wear and tear, corrosion or chemical attack, an act of God, an act of war or by an act of terrorism; or (v) has been damaged resulting from the use of accessory equipment not sold by Xylem Water Solutions USA, Inc. or not approved by Xylem Water Solutions USA, Inc. in connection with Flygt products.

### WEAR PARTS:

This warranty does not cover costs for standard and/or scheduled maintenance performed, nor does it cover Flygt parts that, by virtue of their operation, require replacement through normal wear (aka: Wear Parts), unless a defect in material or workmanship can be determined by Xylem Water Solutions USA, Inc.. Wear Parts are defined as Cutters, Cutting Plates, Impellers, Agitators, Diffusers, Wear Rings (Stationary or Rotating), Volutes (when used in an abrasive environment), oil, grease, cooling fluids and/or any items deemed necessary to perform and meet the requirements of normal maintenance on all Flygt equipment.



# WARRANTY

## Xylem Water Solutions USA, Inc.

### DISCLAIMERS:

(i) Xylem Water Solutions USA, Inc.'s warranties are null and void when Flygt Products are exported outside of the United States of America without the knowledge and written consent of Xylem Water Solutions USA, Inc.; (ii) Xylem Water Solutions USA, Inc. makes no independent warranty or representation with respect to parts or products manufactured by others and provided by Xylem Water Solutions USA, Inc. (however, Xylem Water Solutions USA, Inc. will extend to the Purchaser any warranty received from Xylem Water Solutions USA, Inc.'s supplier for such parts or products).

### LIMITATIONS:

XYLEM WATER SOLUTIONS USA, INC. NEITHER ASSUMES, NOR AUTHORIZES ANY PERSON OR COMPANY TO ASSUME FOR XYLEM WATER SOLUTIONS USA, INC., ANY OTHER OBLIGATION IN CONNECTION WITH THE SALE OF ITS FLYGT EQUIPMENT. ANY ENLARGEMENT OR MODIFICATION OF THIS WARRANTY BY A FLYGT PRODUCT DISTRIBUTOR, OR OTHER SELLING AGENT SHALL BECOME THE EXCLUSIVE RESPONSIBILITY OF SUCH ENTITY.

THE FOREGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ANY AND ALL OTHER EXPRESS OR IMPLIED WARRANTIES, GUARANTEES, CONDITIONS OR TERMS OF WHATEVER NATURE RELATING TO FLYGT PRODUCT(S), INCLUDING AND WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WHICH ARE HEREBY EXPRESSLY DISCLAIMED AND EXCLUDED. PURCHASER'S EXCLUSIVE REMEDY AND XYLEM WATER SOLUTIONS USA, INC.'S AGGREGATE LIABILITY FOR BREACH OF ANY OF THE FOREGOING WARRANTIES IS LIMITED TO REPAIRING OR REPLACING FLYGT PRODUCTS AND SHALL IN ALL CASES BE LIMITED TO THE AMOUNT PAID BY THE PURCHASER HEREUNDER. IN NO EVENT IS XYLEM WATER SOLUTIONS USA, INC. LIABLE FOR ANY OTHER FORM OF DAMAGES, WHETHER DIRECT, INDIRECT, LIQUIDATED, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SPECIAL DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF USE, LOSS OF PROFIT, LOSS OF ANTICIPATED SAVINGS OR REVENUE, LOSS OF INCOME, LOSS OF BUSINESS, LOSS OF PRODUCTION, LOSS OF OPPORTUNITY OR LOSS OF REPUTATION.

XYLEM WATER SOLUTIONS USA, INC. WILL NOT BE HELD RESPONSIBLE FOR TRAVEL EXPENSES, RENTED EQUIPMENT, OUTSIDE CONTRACTOR'S FEES, OR ANY EXPENSES ASSOCIATED WITH A FLYGT PRODUCT REPAIR SHOP NOT AUTHORIZED BY XYLEM WATER SOLUTIONS USA, INC. U.S.A., INC. REIMBURSEMENT COSTS FOR CRANES AND/OR ANY SPECIAL EQUIPMENT USED IN CONJUNCTION FOR THE REMOVAL AND/OR REINSTALLATION OF ANY FLYGT EQUIPMENT IS NOT COVERED UNDER THIS WARRANTY.

ANY UNAUTHORIZED ALTERATIONS TO SUPPLIED FLYGT EQUIPMENT USED WITHOUT XYLEM WATER SOLUTIONS USA, INC. SUPPLIED FLYGT BRAND CABLE OR CONTROLS WILL NOT BE COVERED UNDER THIS WARRANTY, UNLESS IT CAN BE PROVEN SUCH ANCILLARY EQUIPMENT IS SUITABLE FOR THE PURPOSE AND EQUAL TO XYLEM WATER SOLUTIONS USA, INC. SUPPLIED FLYGT BRAND CABLES OR CONTROLS THAT WOULD ORIGINALLY HAVE BEEN SUPPLIED WITH THE TYPE OF EQUIPMENT IN USE.

### REQUIREMENTS:

A copy of Electrical System Schematics of the Control used (including a Control's Bill of Material) could be required to support a Warranty Claim when a non Flygt Brand Control is used. In addition, a written record, hereby known as "the log", will be associated with each unit serial number and must be maintained by the organization having product maintenance responsibility. The log must record each preventative maintenance activity and any repair activity during the life of the warranty or verification that a Xylem Water Solutions USA, Inc. authorized Service Contract for Flygt Products is in force and must be available for review and/or auditing. Failure to meet these conditions could render this warrant null and void. Such logs could be required to determine warranty coverage.





# **WARRANTY**

## **Xylem Water Solutions USA, Inc.**

### **STORAGE:**

Should a delay occur between ship date and the date of start-up, maintenance as outlined in Xylem Water Solutions USA, Inc.'s Care & Maintenance Manual for Flygt Products must be performed by the "CONTRACTOR" and/or "OWNER" during any such period of storage. Documentation providing proof and outlining what maintenance was performed must be provided to Xylem Water Solutions USA, Inc. or its Flygt Products representative within thirty (30) days of said maintenance, or the Xylem Water Solutions USA, Inc. warranty for Flygt Products could be considered void.

### **CONTROLS:**

Warranty coverage for permanently installed controls will start for the end purchaser on the date of shipment. This warranty does not apply to controls that have been damaged due to a defective and/or improper input power supply, improper electrical protection, accidental damage, improper or unauthorized installation and/or repair, unauthorized alteration, negligence, environmental corrosion or chemical attack, improper maintenance or storage of control, any act of God, an act of war, an act of terrorism or damage resulting from the use of accessory equipment not approved by Xylem Water Solutions USA, Inc.. Further, this warranty does not apply in the event an adjustment is found to correct the alleged defect.

Solid state devices will be covered for a period of one (1) year. Electrical control panels containing controllers, PLC's, drives, soft starts, and other computerized equipment will require Transient Voltage Surge Suppression (TVSS) protection in order to satisfy the requirements of this warranty. The protection equipment associated with the control must be kept in working condition during the life of the warranty. Auxiliary equipment supplied with the control (air-conditioners etc.) is limited by the respective original equipment manufacturer's warranty offered. Consumable items such as: light bulbs, fuses, and relays are covered under normal operating conditions. Electrical surges experienced during startups and/or during normal operating use of the control panel will cause the consumable items not to be covered under this warranty policy. Components not supplied by Xylem Water Solutions USA, Inc. will not be covered by this warranty.

### **TOP (The Optimum Pump Station)**

Xylem Water Solutions USA, Inc. will warrant the Flygt TOP pre-engineered fiberglass pump station components against defects in material and workmanship for a period of one (1) year from date of start-up or eighteen (18) months from date of shipment and is valid only to the original owner of the station. Warranty shall cover the cost of labor and materials required to correct any warrantable defect, excluding any removal and reinstallation costs, FOB Xylem Water Solutions USA, Inc.'s authorized warranty service location for Flygt's TOP.

Flygt Products contained within a TOP pre-engineered fiberglass pump station will carry the standard Xylem Water Solutions USA, Inc. warranty for Flygt products and/or accessories installed in the TOP pre-engineered fiberglass pump station.

All Flygt Product restrictions and/or limitations as outlined and described within the context of this warranty are germane to all sections of this Xylem Water Solutions USA, Inc. Warranty document.

Xylem Water Solutions USA, Inc.  
National Quality Assurance - US Corporate

# Exhibit A



## WARRANTY Xylem Water Solutions USA, Inc.

Extended to 24 Months

### ADDENDUM – WARRANTY COVERAGE BY PRODUCT

PRODUCT	PRODUCT SERIES AND CONFIGURATION	MONTHS	MONTHS	MONTHS	MONTHS	MONTHS	MONTHS	MONTHS
		1-12	13-18	19-24	25-36	37-39	40-60	61-72
Axial Flow / Mixed Flow / Centrifugal Pumps & Mixers	3000 Series (CP, NP, DP, CT, NT, CZ, NZ, LL) 4000 Series (SR, PP) 7000 Series (PL)	100%	50%			25%		
Concertor Pumping System	6000 Series (DP)	100%	50%			25%		
	6000 Series (iPS)	100%			50% 25-48 MONTHS		25% 49-84 MONTHS	
ETO Electrical Control Panels	Engineered to Order, Xylem Manufactured Control Panels (permanently installed) - 3 Years	100% 1 YR	LIMITED – 2 YEAR					
Grinder Pumps	3000 Series (MP, MF, MH)	100% - 2 YEAR (From Ship Date)			3 YR (From DOM)	DOM= Date of Manufacture		
Abrasion/Corrosion Resistant & Chopper Pumps	3000 Series (FP, FS, FT, HP, HS) 5000 Series (HP, HS) 8000.280 Series (DP, DZ, DT, DS, DF)	100%						
Centrifugal Pumps	1300 Series	100% (From Ship Date)						
Dewatering Pumps	2000 Series (BS, KS) 3000 Series (CS, NS, DS) 8000.280 Series (DS, DF)	100% (From Ship Date)						
TOPS	Fiberglass Pump Station	100% (From Ship Date)						
Accessories	Permanent / Portable	100% (From Ship Date)						
Hydroejectors/Aerators	HE, JA	100%						
Portable Pump Controls TOPS Control Panels	Control Boxes (Nolta, MSHA etc.) TOPS control panels (permanently installed)	100% (From Shio Date)						
Small Pumps	3045, 3057, SX	100% (From Ship Date)						
Parts - *	All new Flygt parts (mechanical & electrical)	100% (From Shio Date)						

\* - Parts that fail where used in a repair are warranted for one (1) year from the date of the repair for the failed part only – no labor; This Includes Flygt pump controllers, Flygt supervision equipment, Flygt submersible level transducers, etc.



## Exhibit A

1/29/2024

### Letter of Intent to Provide Warranty

**Reference:** RFP 2024-06

XYLEM WATER SOLUTIONS USA, INC. confirms that it offers a commercial warranty to the Buyer and/or End User and that all items as sold to the above reference, conform completely to the specifications and are new, first class, fit, of good materials, design and workmanship and are free from defects.

This warranty will be valid for a period of **2** years, from date of start-up for each unit and will cover 100% of the cost of repairs for parts and labor for the period when determined exclusively by XYLEM WATER SOLUTIONS USA, INC. or its authorized designee that failure is due to a defect in material or manufacturing and/or assembly workmanship and will be considered providing a signed, dated Start-up Report is included. Product start-up must occur within twelve (12) months from date of shipment for this warranty to remain in force and must meet all the storage criteria as shown in Addendum A.

Within the warranty period, XYLEM WATER SOLUTIONS USA, INC. will promptly either repair or replace any non-wear items as part of the delivered units which fail to conform to the requirements in the form of a defect in material or manufacturing and/or assembly workmanship and are found to be defective upon inspection by XYLEM WATER SOLUTIONS USA, INC.'s exclusive examination. Wear parts (.i.e., Impellers, Wear Rings, etc) are not covered unless found to have an original defect in material.

This "Letter of Intent" supersedes the standard Flygt warranty coverage to the extent that product installed at Town of Little Elm Wastewater Treatment Plant, where a XYLEM WATER SOLUTIONS USA, INC. **NP 3231/ 615 (1 Pump)** of serial number **TBD** has been found to have failed may be returned to any Authorized XYLEM WATER SOLUTIONS USA, INC. Service Center for the period of this warranty as outlined in this document.

Warranty shall not apply to any product or part of product which (i) has been subjected to misuse, misapplication, accident, alteration, neglect, or physical damage (ii) has been installed, operated, used or maintained in a manner and/or in an application contrary to XYLEM WATER SOLUTIONS USA, INC.'s printed instructions for installation, operation and maintenance, including without limitation, operation without being connected to monitoring devices supplied with specific products for protection; or (iii) has been damaged due to a defective power supply, improper electrical protection, faulty installation or repair, ordinary wear and tear, corrosion or chemical attack, an act of God, an act of war or by an act of terrorism; or (iv) has been damaged resulting from the use of accessory equipment not sold by XYLEM WATER SOLUTIONS USA, INC. or not approved by XYLEM WATER SOLUTIONS USA, INC. in connection with the product.

**IMPORTANT:** For Warranty purposes, monitoring devices supplied for a specific pump for protection must be connected and utilized during all times in which the pump is in operation. Failure to do so will invalidate this Letter of Intent. This warranty does not cover adjustments or replacement of any maintenance items such as but not limited to lubrication, filters, consumables, etc.

XYLEM WATER SOLUTIONS USA, INC. will not be held responsible for travel expenses, rented equipment, outside contractor fees, unauthorized repair shop expenses, freight to ship product to an XYLEM WATER SOLUTIONS USA, INC. Service center for evaluation or for any equipment and parts purchased or used without XYLEM WATER SOLUTIONS USA, INC.'s written approval.

The warranties made herein by XYLEM WATER SOLUTIONS USA, INC. are in lieu of any and all other warranties expressed or implied and the implied warranties of merchantability and fitness for a particular purpose are hereby expressly disclaimed. XYLEM WATER SOLUTIONS USA, INC. assumes no liability for loss of use or for any direct, indirect or consequential damages of any kind in respect to the use or operation of XYLEM WATER SOLUTIONS USA, INC. products or any equipment or accessories in connections therewith.

US-Quality Assurance

**CONFLICT OF INTEREST QUESTIONNAIRE****FORM CIQ****For vendor doing business with local governmental entity****This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.**

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

**OFFICE USE ONLY**

Date Received

**1 Name of vendor who has a business relationship with local governmental entity.**

NA

**2** ☐ **Check this box if you are filing an update to a previously filed questionnaire.** (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

**3 Name of local government officer about whom the information is being disclosed.**

\_\_\_\_\_  
Name of Officer

**4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.**

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

☐ Yes ☒ No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

☐ Yes ☒ No

**5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.**

NA

**6** ☐ Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

**7**

  
Signature of vendor doing business with the governmental entity

1/29/2024

Date

## CONFLICT OF INTEREST QUESTIONNAIRE

### For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. For easy reference, below are some of the sections cited on this form.

**Local Government Code § 176.001(1-a):** "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

- (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
- (B) a transaction conducted at a price and subject to terms available to the public; or
- (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

**Local Government Code § 176.003(a)(2)(A) and (B):**

- (a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

\*\*\*

- (2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that

- (i) a contract between the local governmental entity and vendor has been executed;
- or

- (ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:

- (i) a contract between the local governmental entity and vendor has been executed; or
- (ii) the local governmental entity is considering entering into a contract with the vendor.

**Local Government Code § 176.006(a) and (a-1)**

- (a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

- (1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

- (2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

- (3) has a family relationship with a local government officer of that local governmental entity.

- (a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

- (1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

- (2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.



**Date:** 02/20/2024  
**Agenda Item #:** 4. F.  
**Department:** Finance  
**Strategic Goal:** Maintain operational integrity and viability  
**Staff Contact:** Jason Shroyer, Director of Public Works

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**AGENDA ITEM:**

Consider Action to Approve **Retroactive Authorization to Repair the Leaking Air Relief Valve on the 14-inch Sewer Force Main in Valencia, with Rangeline Utilities in the amount of \$189,915.**

**DESCRIPTION:**

In early December, a leaking air relief valve on the 14-inch sewer force main in Valencia (behind Blueberry Hill Dr.) was reported to the Public Works Department.

Upon inspection, it was determined that the leak was due to the force main splitting open from the tap for the air relief valve. The valve was situated inside a manhole with limited access for repair. Due to the limited access and the split growing along the pipe, we did not have room to make the repair without removing the manhole and a large section of the pipe. The scope of the work would require line stops to close off the main to isolate it, remove the pipe, and make repairs.

The work involved required very specialized equipment that the Town does not own. We contacted Rangeline to come and perform an emergency repair on the force main to ensure it could be repaired before the line ruptured, causing a significant environmental hazard. Rangeline was able to quickly isolate it and install bypass pumping, which allowed the main to stay in service while isolating and repairing the damaged section of the pipe until repairs were completed.

**BUDGET IMPACT:**

Funding has been encumbered in Utility CIP Fund and funded with CIP reserves.

**RECOMMENDED ACTION:**

Staff recommends approval.

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**Attachments**

Rangeline Invoice

Rangeline Utility Services LLC  
1150 Blue Mound Rd W #821  
Haslet, TX 76052

Phone: (682) 250-2153

Tax ID: 87-3879495

Please remit  
payment to our new  
address



## Invoice

Town of Little Elm  
Accounts Payable  
100 W Eldorado Parkway  
Little Elm, TX 75068

INVOICE DATE	INVOICE #
1/26/2024	2743

P.O. NO.

14" Forcemain Emergency

TERMS	DUE DATE	Sales Rep	JOB NAME	Technician
Net 30	2/25/2024	CC	2023598 Little Elm, TX	
QUANTITY	DESCRIPTION		RATE	AMOUNT
1	SITE WORK		188,915.00	188,915.00
	Mobilization			
	Labor to excavate two pits for line stops, labor to fuse bypass material and connect to line stop equipment and repair force main			
	EQUIPMENT			
	Excavator			
	Skid Steer			
	T-412 Fusion Machine			
	Light Tower			
	MATERIAL			
	12" HDPE for Bypass, including flg adapters, backup rings			
	Double 14" Line Stop			
	Removal and Replacement of Manhole			
	Concrete Replacement			

**Total** \$188,915.00

Web Site

E-mail

**Payments/Credits** \$0.00

www.rangeline.com

hrockey@rangeline.com

**Balance Due** \$188,915.00



**Date:** 02/20/2024  
**Agenda Item #:** 4. G.  
**Department:** Finance  
**Strategic Goal:** Maintain operational integrity and viability  
**Staff Contact:** Kelly Wilson, Chief Financial Officer

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**AGENDA ITEM:**

Consider Action to Approve the **Quarterly Investment Report for the Period ending December 31, 2023.**

**DESCRIPTION:**

The purpose of this item is to provide Town Council an overview of the Town's cash and invested balances for the fiscal period ending December 31, 2023.

**BUDGET IMPACT:**

Interest earnings for the first quarter of the Fiscal Year 2023-2024 was \$1,702,514 for the reporting period of October to December 2023.

**RECOMMENDED ACTION:**

Staff recommends approval.

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**Attachments**

Staff Memo-1st Qtr Investment Report  
Quarterly Investment Report-Q1 FY2024



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## MEMORANDUM

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**TO:** MATTHEW MUELLER, TOWN MANAGER  
**FROM:** KELLY WILSON, CHIEF FINANCIAL OFFICER  
**SUBJECT:** INVESTMENT REPORT FOR QUARTER ENDING DECEMBER 31, 2023  
**CC:** MAYOR AND COUNCIL

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Attached is the Quarterly Investment Report for the quarter ending December 31, 2023 Fiscal Year 2023-2024. This report complies with the requirements of the Town's Investment Policy and the Public Fund's Investment Act as amended. For the period ending December 31, 2023, the Town's portfolio consisted of the following investments:

Portfolio by Type	Average Yield	Total Invested	Percent of Total
Money Market - Independent Financial	5.65%	\$93,184,577.44	54.30%
TexPool/TexPool Prime/LOGIC Prime	5.52%	34,950,677.78	20.37%
Certificate of Deposit	5.09%	16,289,745.07	9.48%
US Treasury Notes	4.43%	9,809,950.00	5.83%
US Agency Bonds	4.35%	17,068,012.00	10.03%
<b>Total Portfolio (Avg)</b>	<b>5.01%</b>	<b>\$171,302,962.29</b>	<b>100.00%</b>

The Town has been actively diversifying the investment portfolio in order to minimize risk of over 50% of funds in one portfolio type as well as capturing a better yield. As interest rates are following the federal government increasing rates, the Town is actively participating in other higher yield investments. All Funds on deposit with Independent Financial are fully secured and safeguarded as well as collateralized. Total interest earned for the first quarter ending December 31, 2023 was \$1,702,514.

Total cash and investments for the period ending December 31, 2023 was \$171,302,962.29. The variance increase of \$19,520,601.74 from the last quarterly investment report is primarily due to Town's collections of property tax that is received in this quarter. The cash flow is important for Finance to monitor in order to provide cash availability for expenditures while minimizing risk, preventing early redemptions of investments, and maximizing interest earnings.

The Town's current portfolio has significant resources available for same day access in order to cover normal and seasonal operational costs. The Town's investment and cash management strategy will be to maintain operational and capital needs in money market accounts and liquid asset pools but investing in other instruments in order to capitalize on interest earnings while keeping risk to a minimum. The Town's funds are swept to the above accounts and withdrawn as needed for operational cash flow requirements.

The total portfolio yield fiscal year-to-date is 5.01%. While some benchmarks to reference the US Treasury T-bill rates for 3 months is 5.20%; 1 year is 4.55%; and a 2 year is 4.05% as of the date of this report. The Town's portfolio yield at the time of this report does not exceed the 3-month benchmark but will continue to improve as we continue to invest in safe investments outlined in the Town's investment policy.

FINANCE DEPARTMENT  
QUARTERLY INVESTMENT REPORT

2024 Economic Federal Reserve Rate Outlook

The Federal Reserve held interest rates steady for the fourth straight meeting and signaled their openness to cutting them, though not necessarily right away. In a statement issued after their two-day meeting, Fed officials dropped their previous assertion that a rate hike was possible and instead adopted a more even-handed assessment of the future policy path.

“The Committee judges that the risks to achieving its employment and inflation goals are moving into better balance,” the central bank’s policy-making Federal Open Market Committee said Wednesday. “In considering any adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks.”

But in a sign that officials are not in a rush to reduce rates, the FOMC also said it “does not expect it will be appropriate to reduce the target range until it has gained greater confidence that inflation is moving sustainably toward 2%.”

The decision to leave the target range for the benchmark federal funds rate unchanged at a 22-year-high of 5.25% to 5.5% was unanimous. The central bank also reiterated its intention to continue reducing its balance sheet by as much as \$95 billion per month.

In their post-meeting statement, policymakers tweaked their description of economic activity. Following stronger-than-expected economic growth in the fourth quarter, the committee described activity as “expanding at a solid pace.”

Among other changes to the statement, the committee omitted language that had been included in some form since last March, calling the banking system “sound and resilient” and warning that tighter credit conditions were likely to weigh on the economy.

As usual at the start of the year, the January meeting brought a rotation of new voters to the FOMC, including the presidents of the Fed’s regional banks in Atlanta, Cleveland, Richmond and San Francisco.

The FOMC also used its first meeting of the year to reaffirm its long-term goals and monetary policy strategy, including its commitment to a 2% average inflation target.

The committee also updated its policies governing investments and trading by Fed staff and policymakers. It expanded the number of Fed staff who are subject to the most stringent restrictions and tightened restrictions on all staff with access to confidential FOMC information.

Across the board, the economy performed better than policymakers expected last year.

Inflation fell more steeply, with the Fed’s favored measure ending the year at 2.6%. The economy expanded more quickly, with gross domestic product climbing 2.5%. And the jobs market was stronger, with the unemployment rate in December clocking in at 3.7%, generally in line with where it was when Fed officials began raising rates in March 2022.

The Bureau of Labor Statistics will release data Friday on the job market in January, the first key reading on how the economy is performing so far in 2024. Economists are anticipating a generally solid report, with payroll growth slowing a bit and unemployment ticking up just slightly.

In the run-up to Wednesday’s meeting, policymakers suggested they’re willing to begin contemplating rate cuts while pushing back against investors’ hopes for imminent and deep reductions.

FINANCE DEPARTMENT  
QUARTERLY INVESTMENT REPORT

“With economic activity and labor markets in good shape and inflation coming down gradually to 2%, I see no reason to move as quickly or cut as rapidly as in the past,” Fed Governor Christopher Waller said at a Brookings Institution event on Jan.16.

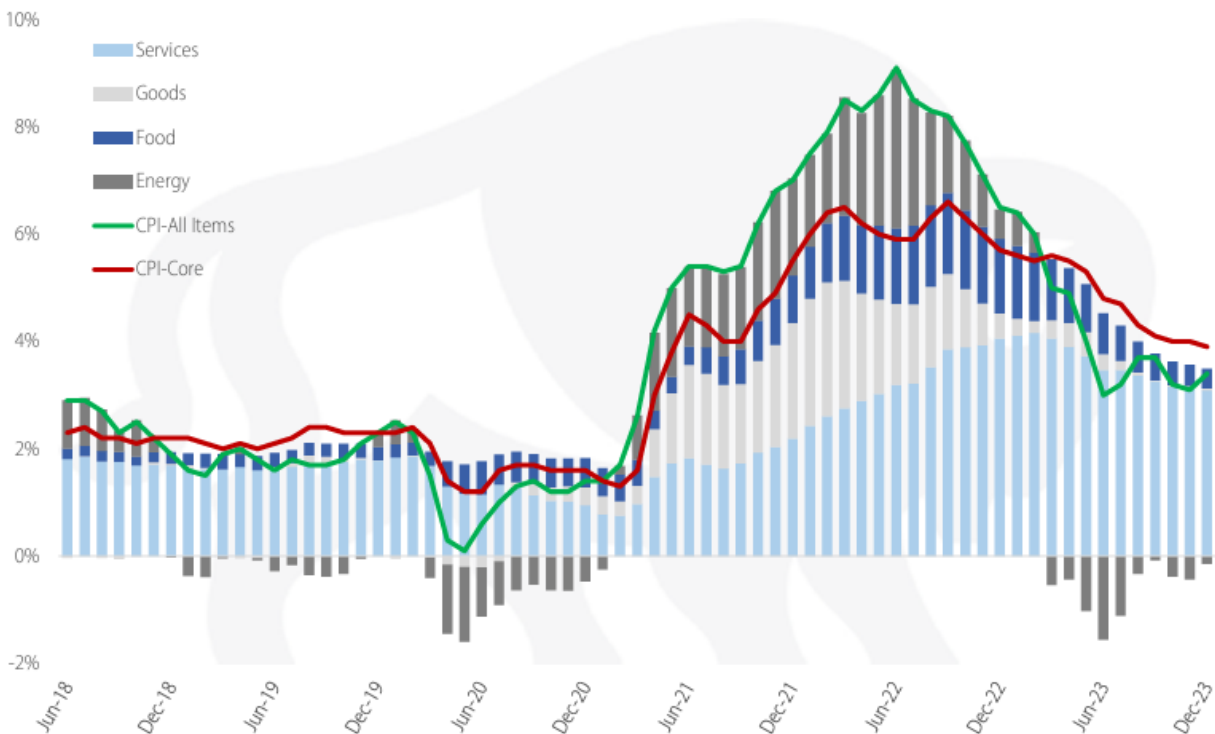
In December, policymakers projected a cumulative 75 basis points of cuts this year, according to their median forecast. They’ll next update those forecasts in March.

The Fed is trying to accomplish something it’s arguably only pulled off once in its more than its 100-year history: corral inflation through tighter credit without crashing the US into a recession.

What’s more, it’s trying to complete that task during a presidential election year and in a country that’s deeply divided politically.

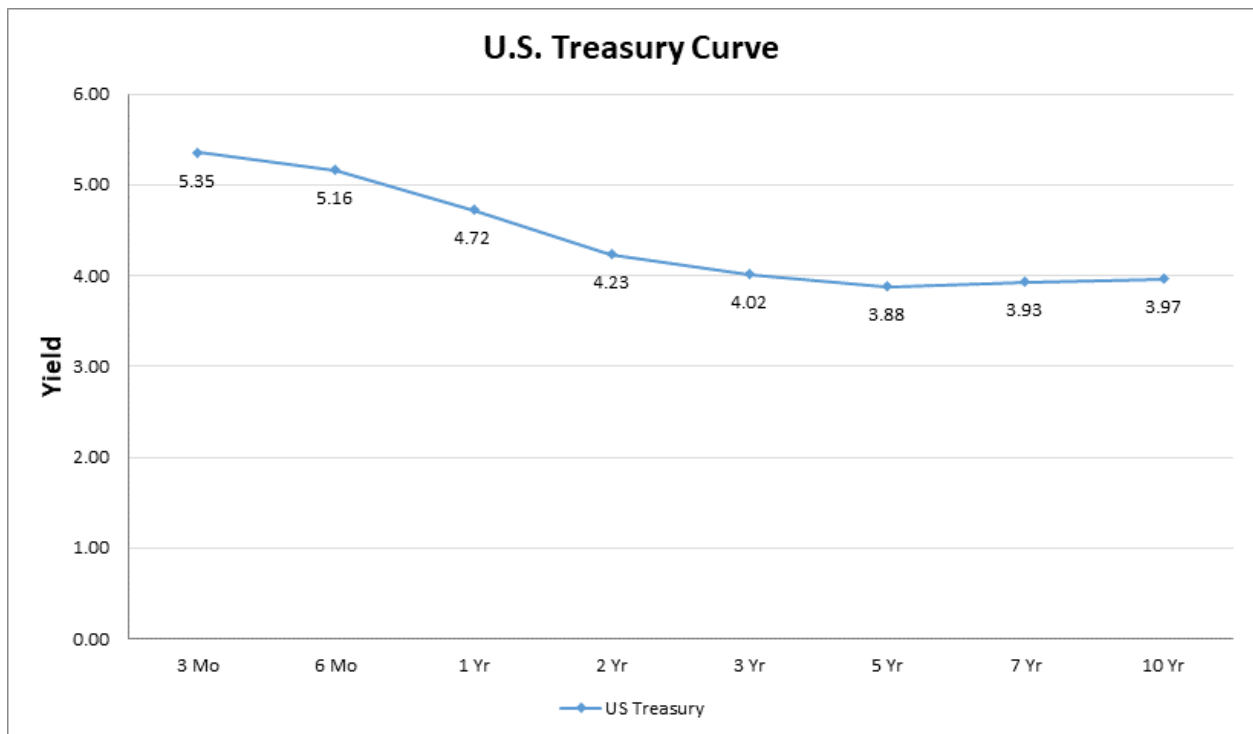
Several Democratic Party lawmakers - including Senate Banking Committee Chair Sherrod Brown, and Massachusetts Senator and former presidential candidate Elizabeth Warren - wrote to Powell this week urging him to lower interest rates.

## Consumer Price Index (Year-over-Year Percent Change)



Source: Bureau of Labor Statistics

FINANCE DEPARTMENT  
QUARTERLY INVESTMENT REPORT



FINANCE DEPARTMENT  
QUARTERLY INVESTMENT REPORT



**Quarterly Investment Report**

For the Quarter Ended

**September 30, 2023**

*Prepared by the Town of Little Elm Finance Department*

**Overview of the Quarterly Investment Report**

Funds on deposit with depository bank are fully collateralized.

- **YTD Cash and Investments on hand: \$171,302,962.29**
  - 54.30% in depository bank
  - 20.37% invested in Pools
  - 9.48% invested in CDs
  - 5.83% invested in US Treasury Notes
  - 10.03% invested in US Agency Bonds
- **Interest Earnings**
  - \$1,702,514 YTD
  - \$1,702,514 October-December 2023
- **Average Yield on Portfolio**
  - 5.01% YTD
  - 4.82% at end of 4th Quarter – FY 2022-2023
- **Average Yield Benchmarks**
  - 5.20% Three Month Rolling Treasury Yield
  - 4.55 % One Year Rolling Treasury Yield
  - 5.515% TexPool/Logic Average Yield
- **Certification of Investment Policy (Government Treasurers' Organization of Texas)**
  - Awarded for 2-year period ending March 31, 2024
  - Town has submitted for re-certification

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*The investment portfolio of the Town of Little Elm is in compliance with the Public Funds Investment Act and the investment Policy and Strategies.*

*Kelly Wilson*

Kelly Wilson, Chief Financial Officer

*Betty Pamplin*

Betty Pamplin, Assistant Director of Finance

TOWN OF LITTLE ELM

Investment Portfolio Summary

Quarter Ending 12/31/2023



PERFORMANCE	9/30/2023	12/31/2023
Yield to Maturity @ Cost	4.82%	5.01%
TREASURY		
3 Month	5.55%	5.20%
1 Year	5.46%	4.55%
2 Year	5.03%	4.05%

Investment Policy Compliance

Authorized Investments	Compliance
Certificate of Deposit   Negotiable	Yes
Commercial Paper	Yes
Guaranteed Investment Contracts	Yes
Local Government Investment Pools	Yes
Municipal Bonds   Texas	Yes
Municipal   United States	Yes
Mutual Funds	Yes
Repurchase Agreements	Yes
US Agency	Yes
US Treasury	Yes
Days	Compliance
Maturity Range   not to exceed 5 Years	124
	Yes

MISSION

Effective cash management is recognized as essential to good fiscal management. A comprehensive and effective cash management system will be pursued to optimize investment interest as viable and material revenue to all operating and capital funds. The Town’s portfolio shall be designed and managed in a manner responsive to the public trust and consistent with local, state and federal law.

The Town of Little Elm, Texas, is in full compliance with the investment policy and strategy, and the Public Funds Investment Act | Chapter 2256.005 (n), Government Code, Section 404.024.

Kelly Wilson

Kelly Wilson, Chief Finance Officer

Betty Pamplin

Betty Pamplin, Assistant Director of Finance

TOWN OF LITTLE ELM

Investment Portfolio Summary

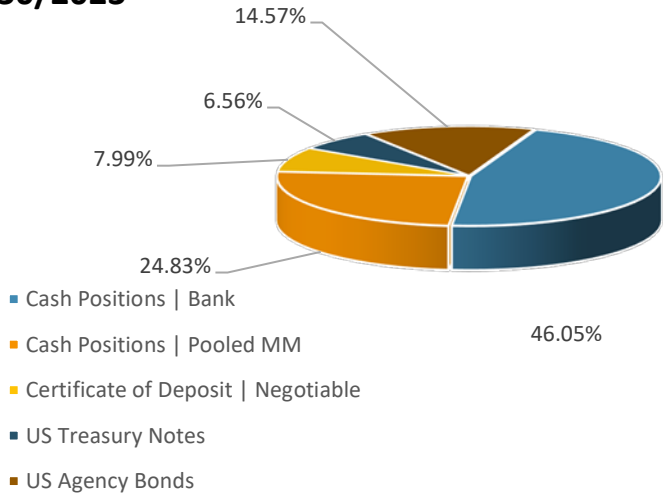
Quarter Ending 12/31/2023



Investment Policy Compliance

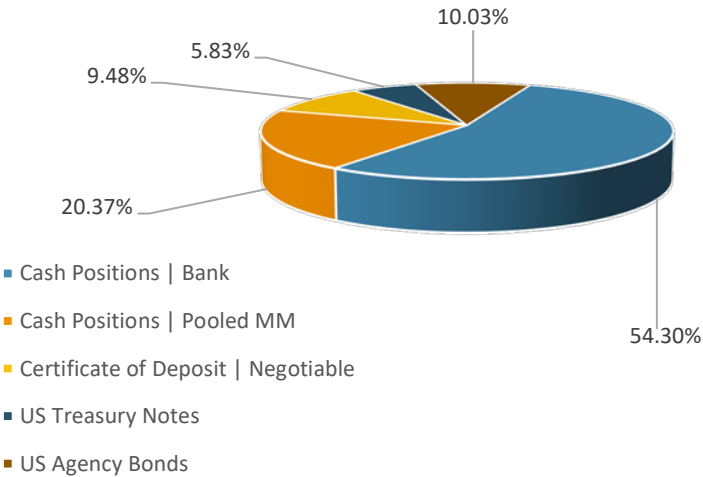
Asset Category	% of Portfolio	YTM @Cost	Days to Maturity	Par Value	Book Value	Market Value
Cash Positions   Bank	46.05%	5.64	1	70,222,239.01	70,222,239.01	70,222,239.01
Cash Positions   Pooled MM	24.83%	5.40	1	37,862,267.48	37,862,267.48	37,862,267.48
Certificate of Deposit   Negotiable	7.99%	4.89	323	12,180,000.00	12,180,000.00	12,117,406.86
US Treasury Notes	6.56%	4.43	286	10,000,000.00	9,759,397.54	9,697,075.00
US Agency Bonds	14.57%	3.73	171	22,210,000.00	22,041,189.94	21,883,372.20
	100.00%	4.82%	156	152,474,506.49	152,065,093.97	151,782,360.55

9/30/2023



Asset Category	% of Portfolio	YTM @Cost	Days to Maturity	Par Value	Book Value	Market Value
Cash Positions   Bank	54.30%	5.65	1	93,184,577.44	93,184,577.44	93,184,577.44
Cash Positions   Pooled MM	20.37%	5.52	1	34,950,677.78	34,950,677.78	34,950,677.78
Certificate of Deposit   Negotiable	9.48%	5.09	321	16,272,000.00	16,272,000.00	16,289,745.07
US Treasury Notes	5.83%	4.43	194	10,000,000.00	9,759,397.54	9,809,950.00
US Agency Bonds	10.03%	4.35	103	17,210,000.00	17,041,189.94	17,068,012.00
	100.00%	5.01%	124	171,617,255.22	171,207,842.70	171,302,962.29

12/31/2023



Investment Policy Compliance

Authorized Investments	Compliance
Certificate of Deposit   Negotiable	Yes
Commercial Paper	Yes
Guaranteed Investment Contracts	Yes
Local Government Investment Pools	Yes
Municipal Bonds   Texas	Yes
Municipal   United States	Yes
Mutual Funds	Yes
Repurchase Agreements	Yes
US Agency	Yes
US Treasury	Yes

	Days	Compliance
Maturity Range   not to exceed 5 Years	124	Yes

Town of Little Elm  
Portfolio Holdings  
Investment Portfolio - by Asset Category  
As of 12/31/2023

Description	CUSIP/Ticker	Settlement Date	YTM @ Cost	Face Amount/Shares	Cost Value	Book Value	Market Value	Maturity Date	Days To Maturity	Accrued Interest	% of Portfolio
Cash Positions   Bank Investments											
Independent Bank   Pooled Cash MM	MM5236	12/31/2023	5.640	89,883,799.01	89,883,799.01	89,883,799.01	89,883,799.01	N/A	1	0	52.50%
Independent Bank   Section 125 MM	MM3949	12/31/2023	5.640	105,862.63	105,862.63	105,862.63	105,862.63	N/A	1	0	0.06%
Independent Bank   Dispersal Funds MM	MM3595	12/31/2023	5.640	3.77	3.77	3.77	3.77	N/A	1	0	0.00%
Independent Bank   American Recovery Act MM	MM7177	12/31/2023	5.640	654,119.34	654,119.34	654,119.34	654,119.34	N/A	1	0	0.38%
Independent Bank   CIP Reserve MM	MM7607	12/31/2023	5.640	2,540,685.65	2,540,685.65	2,540,685.65	2,540,685.65	N/A	1	0	1.48%
Independent Bank   Emergicon MM	MM7737	12/31/2023	5.670	107.04	107.04	107.04	107.04	N/A	1	0	0.00%
Sub Total / Average Cash Positions   Bank Investments			5.645	93,184,577.44	93,184,577.44	93,184,577.44	93,184,577.44		1	0.00	54.43%
Cash Positions   MM Pool Investments											
TexPool   Consolidated Ops LGIP	LGIP449	12/31/2023	5.367	8,026,501.86	8,026,501.86	8,026,501.86	8,026,501.86	N/A	1	0	4.69%
TexPool Prime  Consolidated Ops LGIP	LGIP590	12/31/2023	5.598	7,785,022.37	7,785,022.37	7,785,022.37	7,785,022.37	N/A	1	0	4.55%
LOGIC Prime   2021 CO Bond LGIP	LGIP6001	12/31/2023	5.548	8,968,357.10	8,968,357.10	8,968,357.10	8,968,357.10	N/A	1	0	5.24%
LOGIC Prime   2022 CO Bond LGIP	LGIP6002	12/31/2023	5.548	10,170,796.45	10,170,796.45	10,170,796.45	10,170,796.45	N/A	1	0	5.94%
Sub Total / Average Cash Positions   MM Pool Investments			5.515	34,950,677.78	34,950,677.78	34,950,677.78	34,950,677.78		1	0.00	20.41%
Certificate of Deposit   Negotiable											
Jeanne D Arc Federal Credit Union	472207AB5	06/27/2022	3.200	240,000.00	240,000.00	240,000.00	237,919.20	06/28/2024	180	21.04	0.14%
American Express National Bank	02589AD41	06/27/2022	3.300	240,000.00	240,000.00	240,000.00	237,890.40	07/01/2024	183	43.40	0.14%
Essential Federal Credit Union	29669XAL2	09/30/2022	4.250	240,000.00	240,000.00	240,000.00	239,395.20	04/01/2024	92	27.95	0.14%
Sallie Mae Bank	795451BP7	07/06/2022	3.300	240,000.00	240,000.00	240,000.00	237,784.80	07/08/2024	190	3,862.36	0.14%
Vystar Credit Union	92891CCN0	09/30/2022	4.350	240,000.00	240,000.00	240,000.00	237,904.80	09/30/2025	639	858.08	0.14%
ALL IN FCU	01664MAJ5	11/29/2023	5.600	240,000.00	240,000.00	240,000.00	240,943.20	11/29/2024	334	73.64	0.14%
Goldman Sachs Bank	38150VDM8	01/06/2023	3.000	240,000.00	240,000.00	240,000.00	239,860.80	01/08/2024	8	3,511.23	0.14%
Farmers Insurance Group FCU	30960QAM9	01/18/2023	5.000	240,000.00	240,000.00	240,000.00	239,954.40	01/18/2024	18	427.40	0.14%
Uncle CU	90307LAA2	01/17/2023	4.850	240,000.00	240,000.00	240,000.00	239,940.00	01/17/2024	17	446.47	0.14%
Bankwell Bank	06654BER8	03/15/2023	5.300	240,000.00	240,000.00	240,000.00	239,935.20	03/15/2024	75	10,141.15	0.14%
Santander Bank, N.A.	80280JVQ1	03/17/2023	5.250	237,000.00	237,000.00	237,000.00	236,914.68	03/15/2024	75	9,851.73	0.14%
United Heritage CU	91334AAM5	03/21/2023	5.200	240,000.00	240,000.00	240,000.00	239,949.60	03/21/2024	81	0.00	0.14%
Banescio USA	05988ACD2	03/22/2023	5.250	240,000.00	240,000.00	240,000.00	239,894.40	03/22/2024	82	310.68	0.14%
Grow Financial FCU	39981MAC6	03/24/2023	5.350	240,000.00	240,000.00	240,000.00	239,940.00	03/25/2024	85	246.25	0.14%
State Bank of India	856285Y39	03/23/2023	5.300	240,000.00	240,000.00	240,000.00	240,139.20	05/23/2024	144	3,450.08	0.14%
Synovus Bank	87164DVT4	03/16/2023	5.200	240,000.00	240,000.00	240,000.00	240,086.40	09/16/2024	260	3,624.33	0.14%
Berkshire Bank	084601YR8	03/17/2023	5.200	240,000.00	240,000.00	240,000.00	240,086.40	09/17/2024	261	3,590.14	0.14%
Wells Fargo Bank, National Association	949764AK0	03/17/2023	5.250	240,000.00	240,000.00	240,000.00	240,225.60	09/17/2024	261	483.29	0.14%
First Technology FCU	33715LET3	03/24/2023	5.350	240,000.00	240,000.00	240,000.00	240,398.40	09/24/2024	268	246.25	0.14%
M&T Bank	564759SC3	03/17/2023	5.250	240,000.00	240,000.00	240,000.00	240,422.40	03/17/2025	442	3,624.66	0.14%
Morgan Stanley Bank, National Association	61690U3A6	03/16/2023	5.250	240,000.00	240,000.00	240,000.00	240,456.00	03/17/2025	442	3,659.18	0.14%
Morgan Stanley Private Bank, National Association	61768EQP1	03/16/2023	5.250	240,000.00	240,000.00	240,000.00	240,456.00	03/17/2025	442	3,659.18	0.14%
University CU	914242AB8	03/17/2023	5.150	240,000.00	240,000.00	240,000.00	240,199.20	03/17/2025	442	474.08	0.14%
Westmark CU	960576AB2	03/17/2023	5.250	240,000.00	240,000.00	240,000.00	240,477.60	03/17/2025	442	483.29	0.14%
One Community Bank	682325DE2	03/21/2023	5.150	240,000.00	240,000.00	240,000.00	240,211.20	03/21/2025	446	338.63	0.14%
BMW Bank of North America	05580AX58	03/17/2023	5.100	240,000.00	240,000.00	240,000.00	240,789.60	09/17/2025	626	3,521.10	0.14%
Signature Bank of Arkansas	82669LKF9	03/24/2023	5.100	240,000.00	240,000.00	240,000.00	240,888.00	09/24/2025	633	234.74	0.14%
Affinity Plus FCU	00833AAC4	03/20/2023	5.050	240,000.00	240,000.00	240,000.00	241,236.00	03/20/2026	810	365.26	0.14%
Truliant FCU	89789AAH0	03/22/2023	5.150	240,000.00	240,000.00	240,000.00	241,680.00	03/23/2026	813	304.77	0.14%
Assemblies of God CU	044936AC6	05/17/2023	5.150	237,000.00	237,000.00	237,000.00	236,860.17	05/16/2024	137	468.16	0.14%
BOKF, National Association	05572YGS5	05/24/2023	5.150	237,000.00	237,000.00	237,000.00	236,874.39	05/23/2024	144	7,390.18	0.14%
Charles Schwab Bank, SSB	15987UBS6	05/18/2023	5.150	237,000.00	237,000.00	237,000.00	236,886.24	06/04/2024	156	1,437.91	0.14%
Credit Union of Texas	22551KAX0	05/24/2023	5.150	237,000.00	237,000.00	237,000.00	236,874.39	05/23/2024	144	1,003.19	0.14%
Discover Bank	2546734X1	05/17/2023	5.050	237,000.00	237,000.00	237,000.00	236,774.85	05/16/2024	137	7,476.21	0.14%
First Foundation Bank	32026UN85	05/19/2023	5.100	237,000.00	237,000.00	237,000.00	236,819.88	05/17/2024	138	7,484.01	0.14%
Raiz FCU El Paso Texas	75102EAN8	05/24/2023	5.200	237,000.00	237,000.00	237,000.00	236,919.42	05/24/2024	145	236.35	0.14%
HTLF Bank	40442NCS8	05/15/2023	5.100	237,000.00	237,000.00	237,000.00	236,815.14	05/14/2024	135	7,616.47	0.14%
Idaho First Bank	451245AN4	05/19/2023	5.050	237,000.00	237,000.00	237,000.00	236,774.85	05/17/2024	138	7,410.63	0.14%



Town of Little Elm  
Portfolio Holdings  
Investment Portfolio - by Asset Category  
As of 12/31/2023

Description	CUSIP/Ticker	Settlement Date	YTM @ Cost	Face Amount/Shares	Cost Value	Book Value	Market Value	Maturity Date	Days To Maturity	Accrued Interest	% of Portfolio
Local Government FCU	53955LAC1	05/17/2023	5.150	237,000.00	237,000.00	237,000.00	236,862.54	05/17/2024	138	468.16	0.14%
Northeast Community Bank	664122BC1	05/15/2023	5.100	237,000.00	237,000.00	237,000.00	236,815.14	05/14/2024	135	7,616.47	0.14%
Parkway Bank and Trust Company	70153RLU0	05/26/2023	5.100	237,000.00	237,000.00	237,000.00	236,829.36	05/24/2024	145	7,252.20	0.14%
Sunflower Bank, National Association	867352AP1	05/17/2023	5.100	237,000.00	237,000.00	237,000.00	236,817.51	05/16/2024	137	7,550.24	0.14%
TowneBank	89214PDT3	05/17/2023	5.100	237,000.00	237,000.00	237,000.00	236,817.51	05/16/2024	137	7,550.24	0.14%
US Bank National Association	90354KBR8	05/17/2023	5.100	237,000.00	237,000.00	237,000.00	236,817.51	05/16/2024	137	7,550.24	0.14%
Veritex Community Bank	923450FB1	05/22/2023	5.100	237,000.00	237,000.00	237,000.00	236,824.62	05/22/2024	143	298.04	0.14%
Washington Federal Bank	938828CQ1	05/23/2023	5.100	237,000.00	237,000.00	237,000.00	236,826.99	05/22/2024	143	7,351.55	0.14%
WebBank	947547WE1	05/15/2023	5.100	237,000.00	237,000.00	237,000.00	236,815.14	05/14/2024	135	7,616.47	0.14%
Zions Bancorporation, N.A.	98970LEQ2	05/16/2023	5.100	237,000.00	237,000.00	237,000.00	236,815.14	05/15/2024	136	7,583.35	0.14%
BluePeak Credit Union	09644EAF9	08/15/2023	5.550	240,000.00	240,000.00	240,000.00	240,542.40	08/15/2024	228	583.89	0.14%
Charter Oak Federal Credit Union	16124MAA6	08/16/2023	5.400	240,000.00	240,000.00	240,000.00	240,775.20	02/18/2025	415	4,864.44	0.14%
Hughes FCU	444425AH5	11/29/2023	5.600	240,000.00	240,000.00	240,000.00	243,561.60	12/01/2025	701	73.64	0.14%
1st Financial Bank USA	32022RWE3	11/22/2023	5.000	240,000.00	240,000.00	240,000.00	240,727.20	11/20/2026	1,055	295.89	0.14%
Bank of America, National Association	06051V5E2	11/24/2025	5.300	240,000.00	240,000.00	240,000.00	242,186.40	11/24/2025	694	1,359.12	0.14%
Celtic Bank	15118RK97	11/29/2023	5.300	240,000.00	240,000.00	240,000.00	241,010.40	05/29/2025	515	69.70	0.14%
Citizen Bank of the Midwest	174041AC7	11/20/2023	5.400	237,000.00	237,000.00	237,000.00	238,322.46	11/19/2024	324	1,437.58	0.14%
Comerica Bank	200339FZ7	11/16/2023	5.450	240,000.00	240,000.00	240,000.00	240,504.00	08/16/2024	229	1,612.60	0.14%
Exchange Bank	301074HG8	11/16/2023	5.400	240,000.00	240,000.00	240,000.00	240,432.00	08/16/2024	229	1,597.81	0.14%
Financial Partners Credit Union	31762FAD1	11/20/2023	5.550	240,000.00	240,000.00	240,000.00	240,362.40	05/20/2024	141	1,496.22	0.14%
First Community Bank	31983VCK1	11/24/2023	5.100	240,000.00	240,000.00	240,000.00	241,250.40	11/24/2025	694	234.74	0.14%
Fulton Bank, National Association	359899AX9	11/21/2023	5.450	237,000.00	237,000.00	237,000.00	237,575.91	10/21/2024	295	1,415.51	0.14%
PNC Bank, National Association	69355NER2	11/16/2023	5.400	237,000.00	237,000.00	237,000.00	237,485.85	11/15/2024	320	1,577.84	0.14%
Southeast Bank	84133PFV5	11/22/2023	5.400	237,000.00	237,000.00	237,000.00	237,497.70	11/21/2024	326	1,367.46	0.14%
Southpoint Bank	84464PBV8	11/29/2023	5.300	240,000.00	240,000.00	240,000.00	241,010.40	05/29/2025	515	69.70	0.14%
Triad Business Bank	89580DBC5	11/30/2023	5.300	240,000.00	240,000.00	240,000.00	241,015.20	05/30/2025	516	34.85	0.14%
Trustar Bank	89839KAE5	11/24/2025	5.050	240,000.00	240,000.00	240,000.00	241,063.20	11/24/2025	694	298.85	0.14%
Neighbors FCU	64017ABB9	12/22/2023	5.500	248,000.00	248,000.00	248,000.00	250,690.80	12/22/2028	1,818	336.33	0.14%
Alliant Credit Union	01882MAF9	11/08/2023	5.800	248,000.00	248,000.00	248,000.00	249,314.40	11/07/2024	312	906.39	0.14%
Keypoint Credit Union	49332PAC4	12/29/2023	5.400	248,000.00	248,000.00	248,000.00	248,597.68	12/27/2024	362	73.38	0.14%
Sub Total / Average Certificate of Deposit   Negotiable			5.088	16,272,000.00	16,272,000.00	16,272,000.00	16,289,745.07		321	178,946.37	9.50%
US Treasury Notes											
US T-Note	9128286R6	3/25/2022	2.238	2,500,000.00	2,500,585.94	2,523,117.02	2,475,000.00	4/30/2024	121	9,426.51	1.47%
US T-Note	912828Y87	12/7/2022	4.578	2,500,000.00	2,404,105.81	2,404,105.81	2,452,825.00	7/31/2024	213	18,189.54	1.40%
US T-Note	912828XX3	9/29/2023	5.445	2,500,000.00	2,449,589.13	2,449,589.13	2,461,025.00	6/30/2024	182	0.00	1.43%
US T-Note	91282CCX7	9/28/2023	5.471	2,500,000.00	2,382,585.58	2,382,585.58	2,421,100.00	9/15/2024	259	2,755.84	1.39%
Sub Total / Average US Treasury Notes			4.433	10,000,000.00	9,736,866.46	9,759,397.54	9,809,950.00		194	30,371.89	5.70%
US Agency Bonds											
FHLB	3130AQQT3	2/23/2022	1.100	8,000,000.00	8,000,000.00	8,000,000.00	7,947,760.00	2/23/2024	54	31,288.89	4.67%
FHLB	3130AU5T7	12/9/2022	4.802	2,500,000.00	2,499,450.00	2,499,450.00	2,496,250.00	4/9/2024	100	27,219.44	1.46%
FHLB	3130AVWX6	5/15/2023	5.100	2,500,000.00	2,499,250.00	2,499,250.00	2,498,875.00	2/15/2024	46	48,166.67	1.46%
FHLB	313384WJ4	8/11/2023	5.389	2,500,000.00	2,405,301.74	2,405,301.74	2,455,825.00	5/3/2024	124	0.00	1.40%
FHLB	3130ALRX4	8/10/2023	5.365	1,710,000.00	1,637,971.95	1,637,188.20	1,669,302.00	7/8/2024	190	4,108.75	0.96%
Sub Total / Average US Agency Bonds			4.351	17,210,000.00	17,041,973.69	17,041,189.94	17,068,012.00		103	110,783.75	9.95%
Total / Average			5.007	171,617,255.22	171,186,095.37	171,207,842.70	171,302,962.29		124	320,102.01	1.00



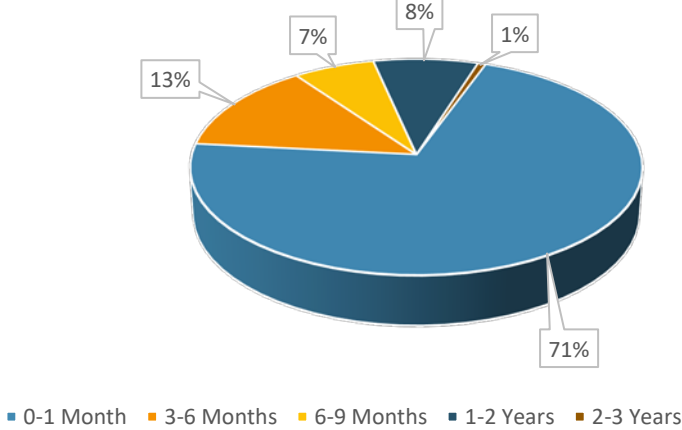
Investment Policy Compliance | Maturity Range

Maturity Range	% of Portfolio	YTM @Cost	Days to Maturity	Book Value
0-1 Month	71.08%	5.52	1	108,084,506.49
3-6 Months	13.41%	3.95	135	20,395,700.00
6-9 Months	6.52%	4.97	229	9,911,418.76
1-2 Years	8.36%	4.95	411	12,713,468.72
2-3 Years	0.63%	4.91	816	960,000.00
	100.00%	4.86%	156	152,065,093.97

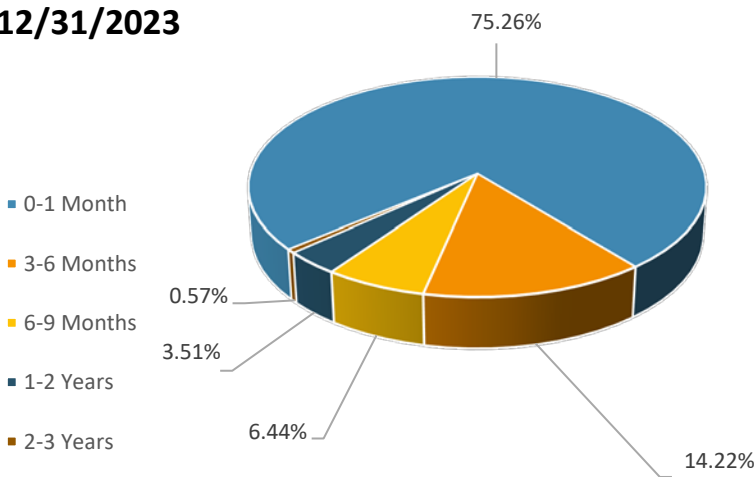
Maturity Range	% of Portfolio	YTM @Cost	Days to Maturity	Book Value
0-1 Month	75.26%	12.01	1	128,855,255.22
3-6 Months	14.22%	5.01	122	24,347,118.76
6-9 Months	6.44%	4.99	227	11,033,468.72
1-2 Years	3.51%	5.28	479	6,004,000.00
2-3 Years	0.57%	5.18	1,124	968,000.00
	100.00%	6.49%	124	171,207,842.70

Investment Policy Compliance		
Authorized Investments	Days	Compliance
Maturity Range   not to exceed 5 Years	124	Yes

9/30/2023



12/31/2023



Town of Little Elm  
Portfolio Holdings  
Investment Portfolio - by Maturity Range  
As of 12/31/2023

Description	CUSIP/Ticker	Maturity Date	Days To Maturity	Settlement Date	Book Value	Market Value	% of Portfolio
0-1 Month							
Independent Bank   Pooled Cash MM	MM5236	12/31/2023	1		89,883,799.01	89,883,799.01	52.50%
Independent Bank   Section 125 MM	MM3949	12/31/2023	1		105,862.63	105,862.63	0.06%
Independent Bank   Dispersal Funds MM	MM3595	12/31/2023	1		3.77	3.77	0.00%
Independent Bank   American Recovery Act MM	MM7177	12/31/2023	1		654,119.34	654,119.34	0.38%
Independent Bank   CIP Reserve MM	MM7607	12/31/2023	1		2,540,685.65	2,540,685.65	1.48%
Independent Bank   Emergicon MM	MM7737	12/31/2023	1		107.04	107.04	0.00%
TexPool   Consolidated Ops LGIP	LGIP449	12/31/2023	1		8,026,501.86	8,026,501.86	4.69%
TexPool Prime  Consolidated Ops LGIP	LGIP590	12/31/2023	1		7,785,022.37	7,785,022.37	20.41%
LOGIC Prime   2021 CO Bond LGIP	LGIP6001	12/31/2023	1		8,968,357.10	8,968,357.10	5.24%
LOGIC Prime   2022 CO Bond LGIP	LGIP6002	12/31/2023	1		10,170,796.45	10,170,796.45	5.94%
Goldman Sachs Bank	38150VDM8	01/08/2024	8	01/08/2024	240,000.00	239,860.80	0.14%
Farmers Insurance Group FCU	30960QAM9	01/18/2024	18	01/18/2024	240,000.00	239,954.40	0.14%
Uncle CU	90307LAA2	01/17/2024	17	01/17/2024	240,000.00	239,940.00	0.14%
<b>Total / Average 0-1 Month</b>			<b>1</b>		<b>128,855,255.22</b>	<b>128,855,010.42</b>	<b>75.26%</b>
2-6 Month							
FHLB	3130AQQT3	2/23/2024	54	2/23/2022	8,000,000.00	7,947,760.00	4.67%
FHLB	3130AVWX6	2/15/2024	46	5/15/2023	2,499,250.00	2,498,875.00	1.46%
FHLB	3130AU5T7	4/9/2024	100	12/9/2022	2,499,450.00	2,496,250.00	1.46%
FHLB	313384WJ4	5/3/2024	124	8/11/2023	2,405,301.74	2,455,825.00	1.40%
US T-Note	9128286R6	4/30/2024	121	3/25/2022	2,523,117.02	2,475,000.00	1.47%
Essential Federal Credit Union	29669XAL2	4/1/2024	92	9/30/2022	240,000.00	238,759.20	0.14%
Bankwell Bank	06654BER8	3/15/2024	75	3/15/2023	240,000.00	239,935.20	0.14%
Santander Bank, N.A.	80280JVQ1	3/15/2024	75	3/17/2023	237,000.00	236,914.68	0.14%
United Heritage CU	91334AAM5	3/21/2024	81	3/21/2023	240,000.00	239,949.60	0.14%
Banescos USA	05988ACD2	3/22/2024	82	3/22/2023	240,000.00	239,894.40	0.14%
Grow Financial FCU	39981MAC6	3/25/2024	85	3/24/2023	240,000.00	239,940.00	0.14%
Assemblies of God CU	044936AC6	5/16/2024	137	5/17/2023	237,000.00	236,860.17	0.14%
BOKF, National Association	05572YGS5	5/23/2024	144	5/24/2023	237,000.00	236,874.39	0.14%
Charles Schwab Bank, SSB	15987UBS6	6/4/2024	156	5/18/2023	237,000.00	236,886.24	0.14%
Credit Union of Texas	22551KAX0	5/23/2024	144	5/24/2023	237,000.00	236,874.39	0.14%
Discover Bank	2546734X1	5/16/2024	137	5/17/2023	237,000.00	236,774.85	0.14%
First Foundation Bank	32026UN85	5/17/2024	138	5/19/2023	237,000.00	236,819.88	0.14%
Raiz FCU El Paso Texas	75102EAN8	5/24/2024	145	5/24/2023	237,000.00	236,919.42	0.14%
HTLF Bank	40442NCS8	5/14/2024	135	5/15/2023	237,000.00	236,815.14	0.14%
Idaho First Bank	451245AN4	5/17/2024	138	5/19/2023	237,000.00	236,774.85	0.14%
Local Government FCU	53955LAC1	5/17/2024	138	5/17/2023	237,000.00	236,862.54	0.14%
Northeast Community Bank	664122BC1	5/14/2024	135	5/15/2023	237,000.00	236,815.14	0.14%
Parkway Bank and Trust Company	70153RLU0	5/24/2024	145	5/26/2023	237,000.00	236,829.36	0.14%
Sunflower Bank, National Association	867352AP1	5/16/2024	137	5/17/2023	237,000.00	236,817.51	0.14%
TowneBank	89214PDT3	5/16/2024	137	5/17/2023	237,000.00	236,817.51	0.14%
US Bank National Association	90354KBR8	5/16/2024	137	5/17/2023	237,000.00	236,817.51	0.14%
Veritex Community Bank	923450FB1	5/22/2024	143	5/22/2023	237,000.00	236,824.62	0.14%
Washington Federal Bank	938828CQ1	5/22/2024	143	5/23/2023	237,000.00	236,826.99	0.14%
WebBank	947547WE1	5/14/2024	135	5/15/2023	237,000.00	236,815.14	0.14%
Zions Bancorporation, N.A.	98970LEQ2	5/15/2024	136	5/16/2023	237,000.00	236,815.14	0.14%
Financial Partners Credit Union	31762FAD1	5/20/2024	141	11/20/2023	240,000.00	240,362.40	0.14%
Jeanne D Arc Federal Credit Union	472207AB5	6/28/2024	180	6/27/2022	240,000.00	237,919.20	0.14%
<b>Total / Average 3-6 Months</b>			<b>122</b>		<b>24,347,118.76</b>	<b>24,287,225.47</b>	<b>14.22%</b>
6-9 Months							
American Express National Bank	02589AD41	07/01/2024	183	06/27/2022	240,000.00	237,890.40	0.14%
Sallie Mae Bank	795451BP7	07/08/2024	190	07/06/2022	240,000.00	237,784.80	0.14%
Synovus Bank	87164DVT4	09/16/2024	260	03/16/2023	240,000.00	240,086.40	0.14%

Town of Little Elm  
Portfolio Holdings  
Investment Portfolio - by Maturity Range  
As of 12/31/2023

Description	CUSIP/Ticker	Maturity Date	Days To Maturity	Settlement Date	Book Value	Market Value	% of Portfolio
Berkshire Bank	084601YR8	09/17/2024	261	03/17/2023	240,000.00	240,086.40	0.14%
Wells Fargo Bank, National Association	949764AK0	09/17/2024	261	03/17/2023	240,000.00	240,225.60	0.14%
First Technology FCU	33715LET3	09/24/2024	268	03/24/2023	240,000.00	240,398.40	0.14%
BluePeak Credit Union	09644EAF9	08/15/2024	228	08/15/2023	240,000.00	240,542.40	0.14%
Comerica Bank	200339FZ7	08/16/2024	229	11/16/2023	240,000.00	240,504.00	0.14%
Exchange Bank	301074HG8	08/16/2024	229	11/16/2023	240,000.00	240,432.00	0.14%
US T-Note	912828Y87	07/31/2024	213	12/07/2022	2,404,105.81	2,452,825.00	1.40%
US T-Note	912828XX3	06/30/2024	182	09/29/2023	2,449,589.13	2,461,025.00	1.43%
US T-Note	91282CCX7	09/15/2024	259	09/28/2023	2,382,585.58	2,421,100.00	1.39%
FHLB	3130ALRX4	07/08/2024	190	08/10/2023	1,637,188.20	1,669,302.00	0.96%
<b>Total / Average 6-9 Months</b>			<b>227</b>		<b>11,033,468.72</b>	<b>11,162,202.40</b>	<b>6.44%</b>
1-2 Years							
Vystar Credit Union	92891CCN0	9/30/2025	639	9/30/2022	240,000.00	237,904.80	0.14%
ALL IN FCU	01664MAJ5	11/29/2024	334	11/29/2023	240,000.00	240,943.20	0.14%
Charter Oak Federal Credit Union	16124MAA6	02/18/2025	415	08/16/2023	240,000.00	240,775.20	0.14%
Hughes FCU	444425AH5	12/01/2025	701	11/29/2023	240,000.00	243,561.60	0.14%
Bank of America, National Association	06051V5E2	11/24/2025	694	11/24/2025	240,000.00	242,186.40	0.14%
Celtic Bank	15118RK97	05/29/2025	515	11/29/2023	240,000.00	241,010.40	0.14%
Citizen Bank of the Midwest	174041AC7	11/19/2024	324	11/20/2023	237,000.00	238,322.46	0.14%
M&T Bank	564759SC3	03/17/2025	442	03/17/2023	240,000.00	240,422.40	0.14%
Morgan Stanley Bank, National Association	61690U3A6	03/17/2025	442	03/16/2023	240,000.00	240,456.00	0.14%
Morgan Stanley Private Bank, National Association	61768EQP1	03/17/2025	442	03/16/2023	240,000.00	240,456.00	0.14%
University CU	914242AB8	03/17/2025	442	03/17/2023	240,000.00	240,199.20	0.14%
Westmark CU	960576AB2	03/17/2025	442	03/17/2023	240,000.00	240,477.60	0.14%
One Community Bank	682325DE2	03/21/2025	446	03/21/2023	240,000.00	240,211.20	0.14%
BMW Bank of North America	05580AX58	09/17/2025	626	03/17/2023	240,000.00	240,789.60	0.14%
Signature Bank of Arkansas	82669LKF9	09/24/2025	633	03/24/2023	240,000.00	240,888.00	0.14%
Charter Oak Federal Credit Union	16124MAA6	02/18/2025	415	08/16/2023	240,000.00	240,775.20	0.14%
First Community Bank	31983VCK1	11/24/2025	694	11/24/2023	240,000.00	241,250.40	0.14%
Fulton Bank, National Association	359899AX9	10/21/2024	295	11/21/2023	237,000.00	237,575.91	0.14%
PNC Bank, National Association	69355NER2	11/15/2024	320	11/16/2023	237,000.00	237,485.85	0.14%
Southeast Bank	84133PFV5	11/21/2024	326	11/22/2023	237,000.00	237,497.70	0.14%
Southpoint Bank	84464PBV8	05/29/2025	515	11/29/2023	240,000.00	241,010.40	0.14%
Triad Business Bank	89580DBC5	05/30/2025	516	11/30/2023	240,000.00	241,015.20	0.14%
Trustar Bank	89839KAE5	11/24/2025	694	11/24/2025	240,000.00	241,063.20	0.14%
Alliant Credit Union	01882MAF9	11/07/2024	312	11/08/2023	248,000.00	249,314.40	0.14%
Keypoint Credit Union	49332PAC4	12/27/2024	362	12/29/2023	248,000.00	248,597.68	0.14%
<b>Total / Average 1-2 Years</b>			<b>479</b>		<b>6,004,000.00</b>	<b>6,024,190.00</b>	<b>3.51%</b>
2-5 Years							
Affinity Plus FCU	00833AAC4	3/20/2026	810	3/20/2023	240,000.00	241,236.00	0.14%
Truliant FCU	89789AAH0	3/23/2026	813	3/22/2023	240,000.00	241,680.00	0.14%
1st Financial Bank USA	32022RWE3	11/20/2026	1,055	11/22/2023	240,000.00	240,727.20	0.14%
Neighbors FCU	64017ABB9	12/22/2028	1,818	12/22/2023	248,000.00	250,690.80	0.14%
<b>Total / Average 2-5 Years</b>			<b>1,124</b>		<b>968,000.00</b>	<b>974,334.00</b>	<b>0.57%</b>
<b>Total / Average</b>					<b>171,207,842.70</b>	<b>171,302,962.29</b>	<b>1.00</b>

# TOWN OF LITTLE ELM

## Investment Portfolio Summary

Quarter Ending 12/31/2023



Funds		Par Value	Book Value	Market Value	Accrued Interest
<b>Cash Positions   Bank</b>					
	Value at 9/30/2023	70,222,239.01	70,222,239.01	70,222,239.01	-
	<b>Net Change</b>	<b>22,962,338.43</b>	<b>22,962,338.43</b>	<b>22,962,338.43</b>	-
	Value at 12/31/2023	93,184,577.44	93,184,577.44	93,184,577.44	-
<b>Cash Positions   Pool Investments</b>					
	Value at 9/30/2023	37,862,267.48	37,862,267.48	37,862,267.48	-
	<b>Net Change</b>	<b>(2,911,589.70)</b>	<b>(2,911,589.70)</b>	<b>(2,911,589.70)</b>	-
	Value at 12/31/2023	34,950,677.78	34,950,677.78	34,950,677.78	-
<b>Certificate of Deposit   Negotiable</b>					
	Value at 9/30/2023	12,180,000.00	12,180,000.00	12,117,406.86	97,410.62
	<b>Net Change</b>	<b>4,092,000.00</b>	<b>4,092,000.00</b>	<b>4,172,338.21</b>	<b>81,535.75</b>
	Value at 12/31/2023	16,272,000.00	16,272,000.00	16,289,745.07	178,946.37
<b>US Treasury Notes</b>					
	Value at 9/30/2023	10,000,000.00	9,759,397.54	9,697,075.00	43,524.92
	<b>Net Change</b>	-	-	<b>112,875.00</b>	<b>(13,153.03)</b>
	Value at 12/31/2023	10,000,000.00	9,759,397.54	9,809,950.00	30,371.89
<b>US Government Bonds (Agencies)</b>					
	Value at 9/30/2023	22,210,000.00	22,041,189.94	21,883,372.20	94,803.05
	<b>Net Change</b>	<b>(5,000,000.00)</b>	<b>(5,000,000.00)</b>	<b>(4,815,360.20)</b>	<b>15,980.70</b>
	Value at 12/31/2023	17,210,000.00	17,041,189.94	17,068,012.00	110,783.75
<b>Total Portfolio</b>					
	Value at 9/30/2023	152,474,506.49	152,065,093.97	151,782,360.55	235,738.59
	<b>Net Change</b>	<b>19,142,748.73</b>	<b>19,142,748.73</b>	<b>19,520,601.74</b>	<b>84,363.42</b>
	Value at 12/31/2023	171,617,255.22	171,207,842.70	171,302,962.29	320,102.01

TOWN OF LITTLE ELM

Investment Portfolio Interest Earnings

Quarter Ending 12/31/2023



Interest Earnings

Investment Type	FY 2020 Interest Earnings	FY 2021 Interest Earnings	FY 2022 Interest Earnings	FY 2023 Interest Earnings	Oct-23	Nov-23	Dec-23	FY2024 Interest Earnings
Cash Positions   Bank	922,000	497,865	685,298	3,643,690	323,135	305,975	358,703	987,812
Cash Positions   Pooled	185,688	15,186	308,396	2,240,431	177,272	172,947	169,502	519,721
Investments	216,427	142,045	212,135	642,803	111,153	43,100	40,728	194,980
Total Cash and Investments	1,324,115	655,096	1,205,829	6,526,924	611,560	522,022	568,932	1,702,514



**Date:** 02/20/2024  
**Agenda Item #:** 4. H.  
**Department:** Finance  
**Strategic Goal:** Maintain operational integrity and viability  
**Staff Contact:** Kelly Wilson, Chief Financial Officer

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**AGENDA ITEM:**

Consider Action to Approve the **Unaudited Quarterly Budget Report for the Quarter Ending December 31, 2023.**

**DESCRIPTION:**

The purpose of this item is to provide the Town Council with a report of the financial performance of the Town regarding its Budget of Revenues and Expenditures for the 1st Quarter of the Fiscal Year 2023-2024.

**BUDGET IMPACT:**

At December 31, 2023, the budget for all major funds is targeted at 25% since this is the first quarter of the FY2023-2024 financial period. This is an unaudited financial report that represents the town's financial condition as it relates to the amended budget. Please see notes outlined throughout the report that highlight specific financial data.

**RECOMMENDED ACTION:**

Staff recommends approval.

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**Attachments**

Memo to TM Q1 Budget to Actual FY 2024

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## MEMORANDUM

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**TO:** MATT MUELLER, TOWN MANAGER  
**FROM:** KELLY WILSON, CHIEF FINANCIAL OFFICER  
**SUBJ:** BUDGET REPORT FOR PERIOD DECEMBER 31, 2023  
**CC:** MAYOR AND COUNCIL

The attached is Budget to Actual Information for the fiscal period ending December 31, 2023, representing 25% of the Town's fiscal year. This information is unaudited and provides a snapshot of our financial status on a budgetary basis.

**Cash and Investment Position:** The Town maintains an excellent cash position with all idle funds in interest bearing accounts or secured investments. Total interest earned through this reporting period was \$1,702,514. Total cash and investments on hand at the end of the reporting period is \$171,302,962. For detailed information, please refer to the quarterly investment report.

**Budget:** As of December 31, 2023, the budget is as follows for major funds with the **target at 25%**; the major funds are presented in summary below.

**Revenues:**

<i><b>Major Funds - Sources</b></i>	<b>Budget</b>	<b>YTD Actual</b>	<b>% Earned</b>
General Fund	\$ 51,757,341	\$ 27,209,628	52.6%
Parks and Recreation Fund	5,296,500	750,906	14.2%
Street Maintenance Fund	1,866,805	150,905	8.1%
Water and Sewer Fund	23,834,485	4,819,426	20.2%
Solid Waste Fund	4,114,762	961,030	23.4%
Storm Drainage System Fund	818,000	178,341	21.8%

**Expenditures:**

<i><b>Major Funds - Sources</b></i>	<b>Budget</b>	<b>YTD Actual</b>	<b>% Earned</b>
General Fund	\$ 58,871,081	\$ 16,208,946	27.5%
Parks and Recreation Fund	5,562,182	1,281,145	23.0%
Street Maintenance Fund	1,879,465	731,282	38.9%
Water and Sewer Fund	27,669,141	3,806,806	13.7%
Solid Waste Fund	4,113,255	894,457	21.7%
Storm Drainage System Fund	666,991	106,642	16.0%

**General Fund Revenue and Expense Summary:** Total General Fund revenue is pacing ahead of last year relative to the total budget by 1%. Total revenue through this period is \$27,209,628, or 52% of the budget, due to the timing of property tax collections. Property Tax collections typically start in October and spike with collections in December and January. Total General Fund expenditures through this period total



FINANCE DEPARTMENT  
BUDGET REPORT

to \$16,208,946, or 27.5% of the budget. All department activities are within expected levels through the reporting period. Please refer to the quarterly financial report for detailed information.

**General Fund and Debt Service Fund Property Taxes:**

Property Tax collections for the fiscal year received through December are as follows:

Property Taxes	General Fund		Debt Service Fund	
	Budget	Actual	Budget	Actual
Current Levy	\$ 25,441,466	\$ 21,787,534	\$ 9,872,576	\$ 7,416,276
Penalty and Interest	60,000	14,102	-	5,039
Prior Year Property Taxes	75,000	(25,448)	-	(10,122)
<b>Total</b>	<b>\$ 25,576,466</b>	<b>\$ 21,776,188</b>	<b>\$ 9,872,576</b>	<b>\$ 7,411,193</b>

Town-wide Ad Valorem property tax collections at the end of this reporting period reflect \$29,203,664 or 64% on a tax levy of \$45,527,161.

**Sales Tax:** The Town's total sales tax budget is \$14,435,720. For this reporting period, the Town has received one distribution of sales tax from the State Comptroller's office. This sales tax distribution reflects the Town's portion of October sales tax. The table below summaries total sales tax collections through this reporting period. The figures below do not include any reduction to Sales Tax associated with any development agreements.

Fiscal Year	Total Sales Tax Received	1¢ City	.50¢ EDC	.25¢ CDC	.25¢ SMF
<b>2024 Budget</b>	<b>14,435,720</b>	<b>7,217,860</b>	<b>3,608,930</b>	<b>1,804,465</b>	<b>1,804,465</b>
<b>2024 Actual</b>	<b>1,228,996</b>	<b>651,452</b>	<b>288,772</b>	<b>144,386</b>	<b>144,386</b>

**Water and Sewer Fund:** The Town's Water-Wastewater Utility revenue is pacing behind last year relative to the total budget by 2% due to the timing of wholesale water payments due to the Town. Total Utility revenue through this reporting period is \$4,819,426, or 20% of the budget. This year water payers saw an increase of 2% in water rates. Sewer rates remained unchanged. Actual expenditures through this reporting period are \$3,806,806, or 13.7% of the budget. Total operational expenses are within expected levels through this period. Please see the quarterly financial report for detailed information.

**Water Purchases and Consumption:** The water purchases take or pay budget reflects \$8,155,102 or 29.5% of the budget. The town is reporting the water purchases through the 1st quarter of \$1,690,425. The Town of Little Elm has billed 415 million gallons of water through the 1st quarter of FY 2024 and has purchased 426 million gallons from NTMWD. The Town's take or pay water consumption is 1.804 billion gallons of water for the fiscal year from NTMWD. Please see the quarterly financial report for detailed information.



# FY 2023 - 2024 Quarter 1 Financial Report

## October 1, 2023 - December 31, 2023

Total All Funds						
	Adopted Budget	Amended Budget	Actual			
Revenue	\$ 107,087,449	\$ 107,307,250	\$ 43,010,711	40.1%		
Expenditures	\$ 113,956,666	\$ 120,723,164	\$ 26,223,003	21.7%		
Net Gain/(Loss)	\$ (6,869,217)	\$ (13,415,914)	\$ 16,787,708			

General Fund					Street Maintenance Fund				
	Adopted Budget	Amended Budget	Actual			Adopted Budget	Amended Budget	Actual	
Revenue	\$ 51,537,540	\$ 51,757,341	\$ 27,209,628	52.6%	Revenue	\$ 1,879,465	\$ 1,866,805	\$ 150,905	8.1%
Expenditures	\$ 54,629,328	\$ 58,871,081	\$ 16,208,946	27.5%	Expenditures	\$ 1,850,000	\$ 1,879,465	\$ 731,282	38.9%
Net Gain/(Loss)	\$ (3,091,788)	\$ (7,113,740)	\$ 11,000,682		Net Gain/(Loss)	\$ 29,465	\$ (12,660)	\$ (580,377)	

Utility Fund					Debt Service Fund				
	Adopted Budget	Amended Budget	Actual			Adopted Budget	Amended Budget	Actual	
Revenue	\$ 23,834,485	\$ 23,834,485	\$ 4,819,426	20.2%	Revenue	\$ 10,083,649	\$ 10,083,649	\$ 7,425,330	73.6%
Expenditures	\$ 26,915,634	\$ 27,669,141	\$ 3,244,325	11.7%	Expenditures	\$ 10,515,369	\$ 10,515,369	\$ 12,791	0.1%
Net Gain/(Loss)	\$ (3,081,149)	\$ (3,834,656)	\$ 1,575,101		Net Gain/(Loss)	\$ (431,720)	\$ (431,720)	\$ 7,412,539	

Parks and Recreation Fund					Other Non-Major Funds				
	Adopted Budget	Amended Budget	Actual			Adopted Budget	Amended Budget	Actual	
Revenue	\$ 5,296,500	\$ 5,296,500	\$ 750,906	14.2%	Revenue	\$ 14,455,810	\$ 14,455,810	\$ 2,654,517	18.4%
Expenditures	\$ 5,556,134	\$ 5,562,182	\$ 1,281,145	23.0%	Expenditures	\$ 14,490,201	\$ 16,238,585	\$ 2,758,033	17.0%
Net Gain/(Loss)	\$ (259,634)	\$ (265,682)	\$ (530,239)		Net Gain/(Loss)	\$ (34,391)	\$ (1,782,776)	\$ (103,516)	

The information in this report represents financial transactions through the 1st Quarter (October - December) of the fiscal year ending September 30, 2024, unless otherwise specified. All current financial figures are unaudited and may be subject to change or adjustment.

CIP funds are not included in this report.

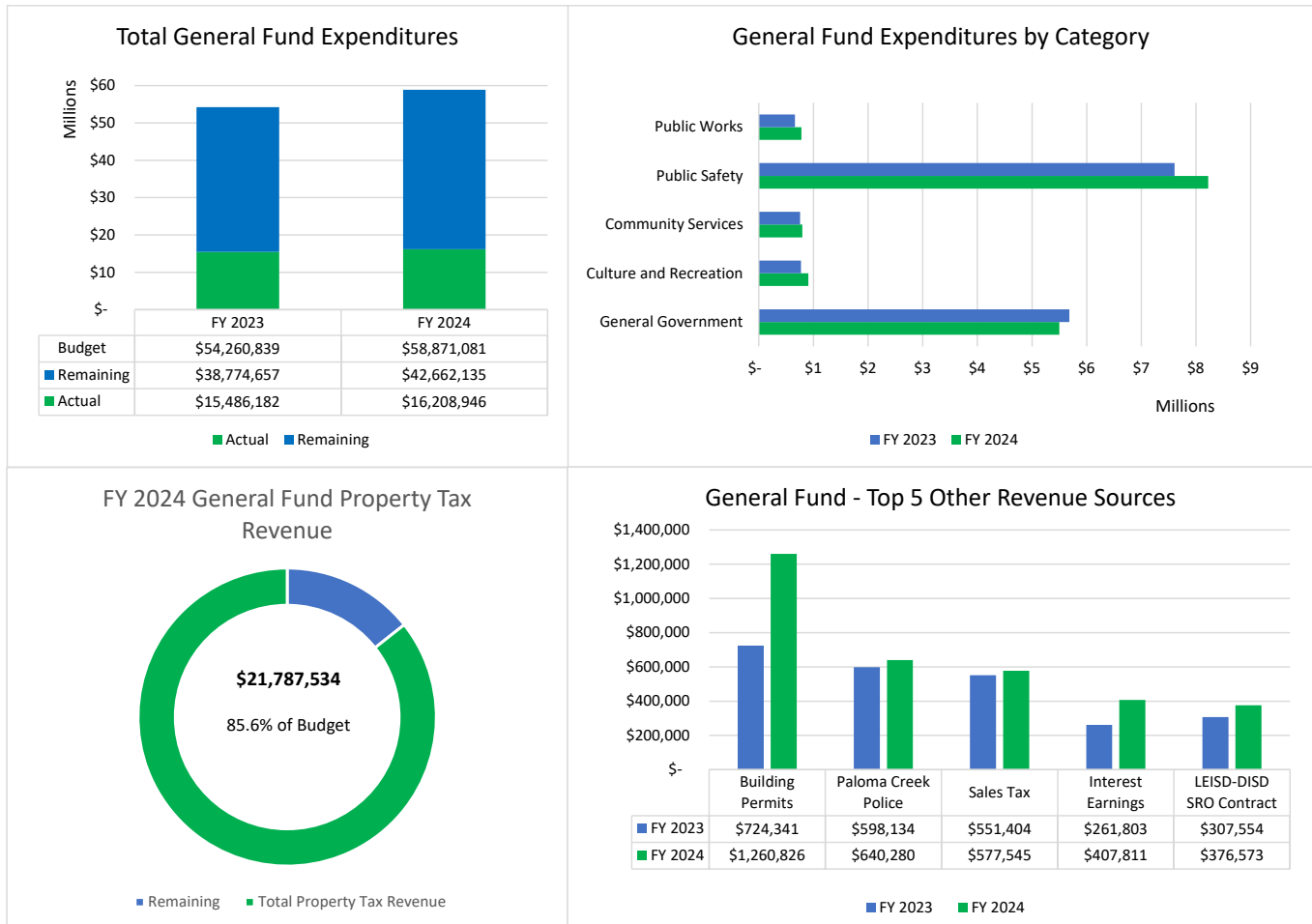
This report includes the amended budget presented to Council December 2023 for the encumbrance roll of \$6,766,498.

Expenditures in this report do not include current encumbrances.



## FY 2023 - 2024 Quarter 1 Financial Report - General Fund

### October 1, 2023 - December 31, 2023



### REVENUE

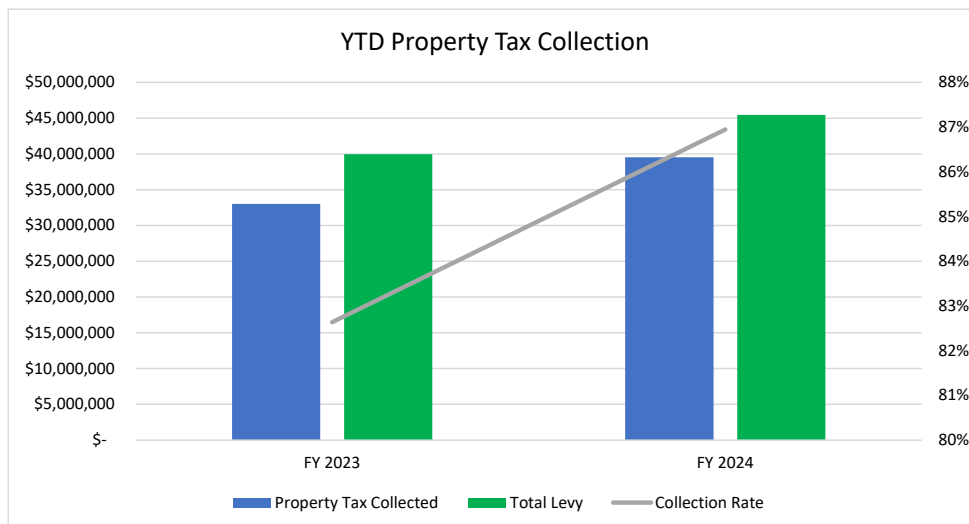
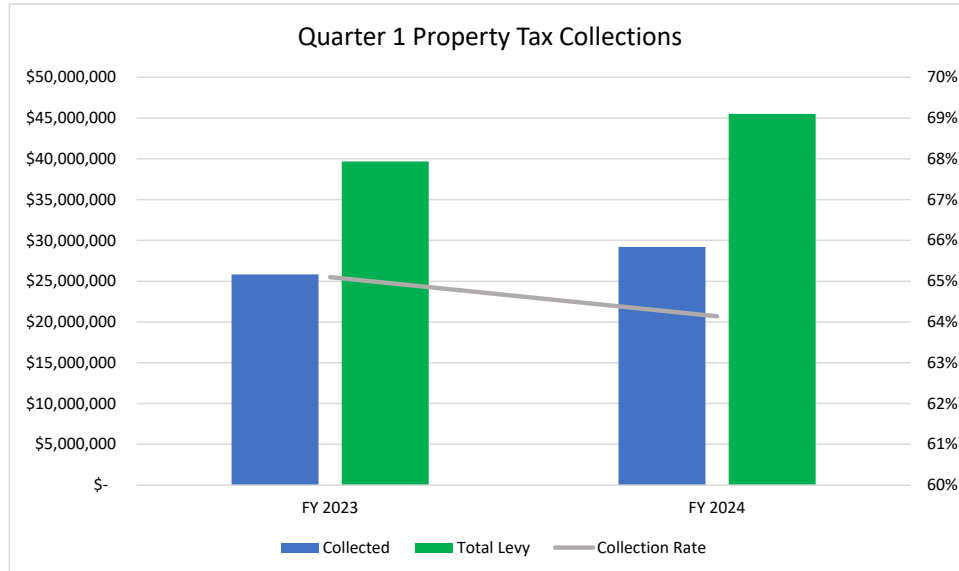
- General Fund Revenue is pacing ahead of last year relative to the total budget by 1%. Revenue through this period has reached 52% of the budget. Due to the timing of property tax collections, the majority of budgeted revenue has been received.
- For this reporting period, the Town has received one distribution of sales tax from the State Comptroller's office. Sales tax revenue is trending the same as last year relative to the total budget. Total Sales tax revenue in the General Fund through this period reflects a 5% increase over last year. See Sales Tax report for more information.
- Due to current market conditions, interest earnings have seen a 56% increase over last year through this period.
- Building permit revenue through this period has seen a 74% increase over last year. This is due to construction of two new elementary schools in Town.

### Expenditures

- Excluding interfund transfers, General Fund expenditures are pacing the same as last year relative to the total budget. Expenditures through this period have reached 21% of the budget.
- Public safety expenditures are trending the same as last year relative to the total budget. Total Public Safety expenditures are greater than last year by 8% due to personnel costs.
- General Government expenditures are trending lower than last year relative to the total budget by 3% due to interfund transfers.



## FY 2023 - 2024 Quarter 1 Financial Report - Property Tax October 1, 2023 - December 31, 2023

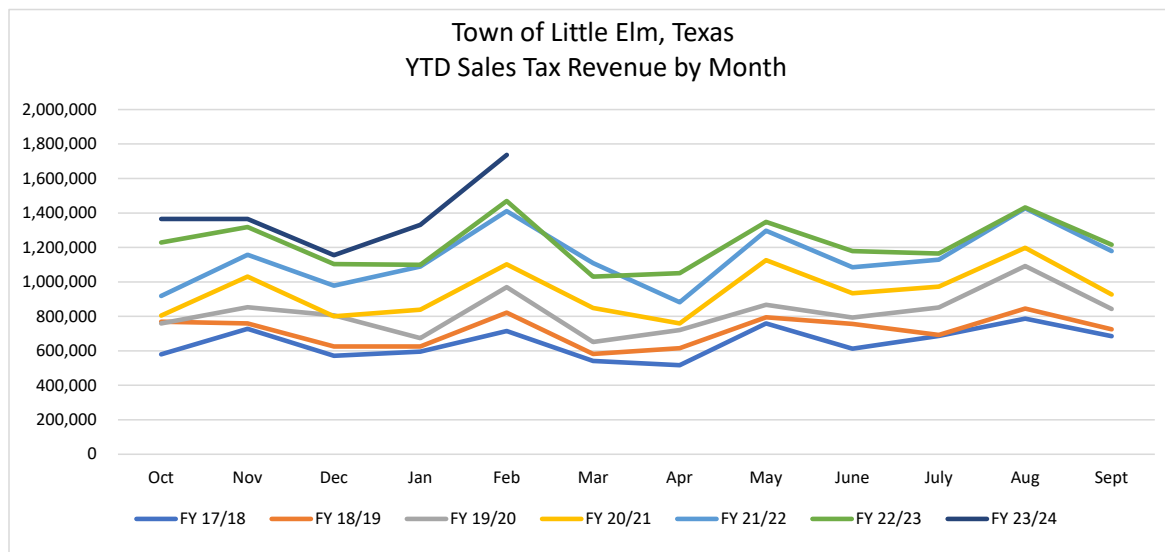
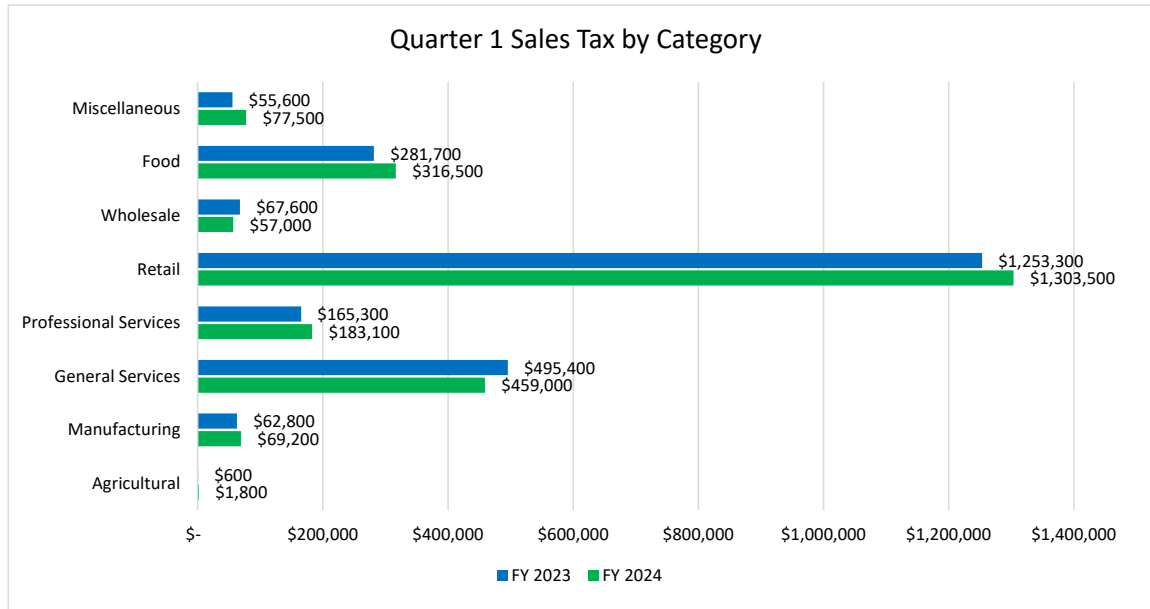


### REVENUE

- Town wide property tax collections through the reporting period are pacing behind last year relative to the total levy by 1%. Total collections through this period have increased by 13%
- Town wide property tax collections through January are pacing ahead of last year relative to the total levy by 5%. Total collections through January have increased by 20%



## FY 2023 - 2024 Quarter 1 Financial Report - Sales Tax October 1, 2023 - December 31, 2023



### REVENUE

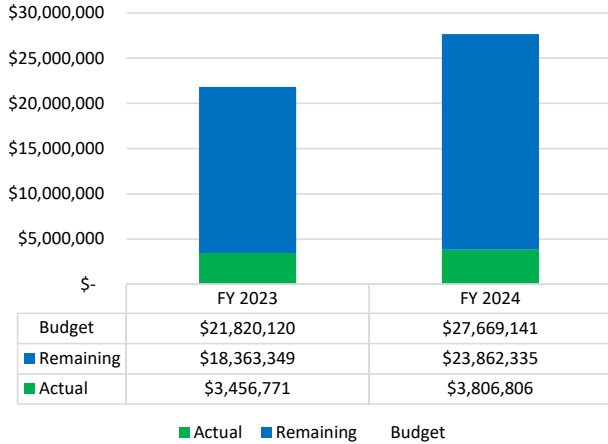
- Through February of the current Fiscal Year, the Town has received a total of \$3.30 million in sales tax. This is a 12% increase over last year through the same period. The Town's year to date sales tax revenue is over projected budgeted sales tax revenue by 15%.
- Categorical Sales Tax data reflects October and November disbursements from the State Comptroller's Office. Categorical data for December's disbursement is not yet available and will be reflected in future reports.



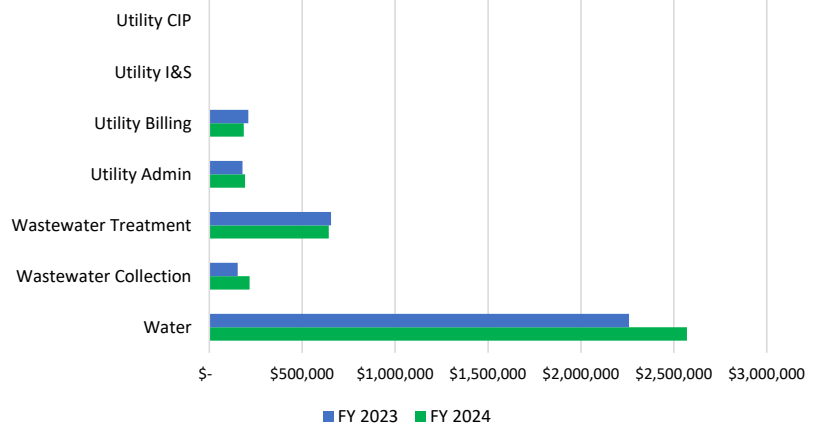
## FY 2023 - 2024 Quarter 1 Financial Report - Utility Fund

### October 1, 2023 - December 31, 2023

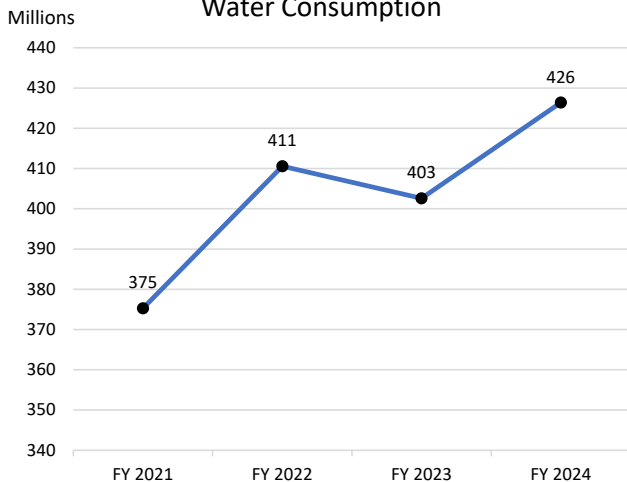
**Total Utility Fund Expenditures**



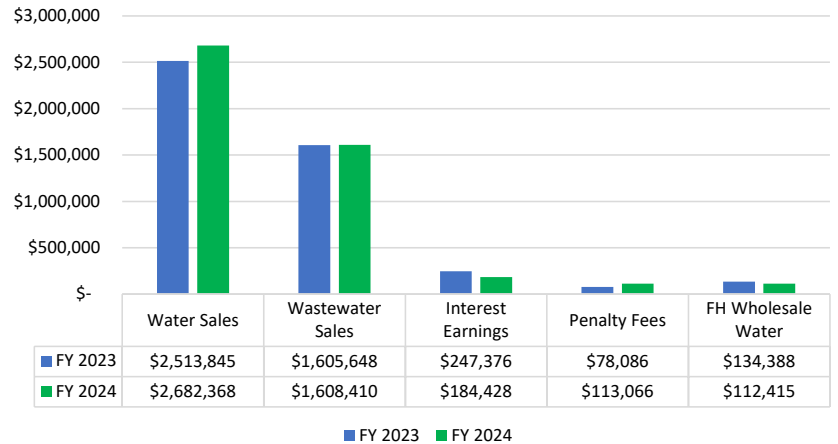
**Utility Fund Expenditures by Department**



**Water Consumption**



**Utility Fund - Top 5 Revenue Sources**



### REVENUE

- Utility Fund Revenue is pacing behind last year relative to the total budget by 2%. This is due to the timing of wholesale water and wastewater payments to the Town. Revenue through this period has reached 20% of the budget.
- Total water sales are \$165K higher than last year through this period due to increased rates and consumption.

### EXPENDITURES

- Excluding interfund transfers, Utility Fund expenditures are trending the same as last year. Expenditures through this period have reached 14% of the budget.



**FY 2023 - 2024 Quarter 1 Financial Report - Utility Consumption**  
**October 1, 2023 - December 31, 2023**

	Oct-23		Nov-23		Dec-23	
	WATER	SEWER	WATER	SEWER	WATER	SEWER
# of Accts Residential	12,200	11,943	12,205	11,950	12,197	11,942
#of Accts Commercial	471	238	474	240	473	240
Consumption-Residential	135,111,000	76,125,000	102,746,000	75,611,000	81,938,000	75,218,000
Consumption-Commercial	44,435,000	6,780,000	30,344,000	6,382,000	20,676,000	5,532,000
Average Residential Water Consumption	11,075		8,418		6,718	
Billed (\$) Residential	\$ 1,133,842	\$ 610,318	\$ 914,854	\$ 609,356	\$ 764,164	\$ 607,602
Billed (\$) Commercial	\$ 306,536	\$ 37,228	\$ 225,705	\$ 35,354	\$ 162,364	\$ 31,454
Total Billed (\$)	\$ 1,440,378	\$ 647,546	\$ 1,140,558	\$ 644,709	\$ 926,528	\$ 639,056
Rainfall (Inches)	10.24		1.11		4.01	

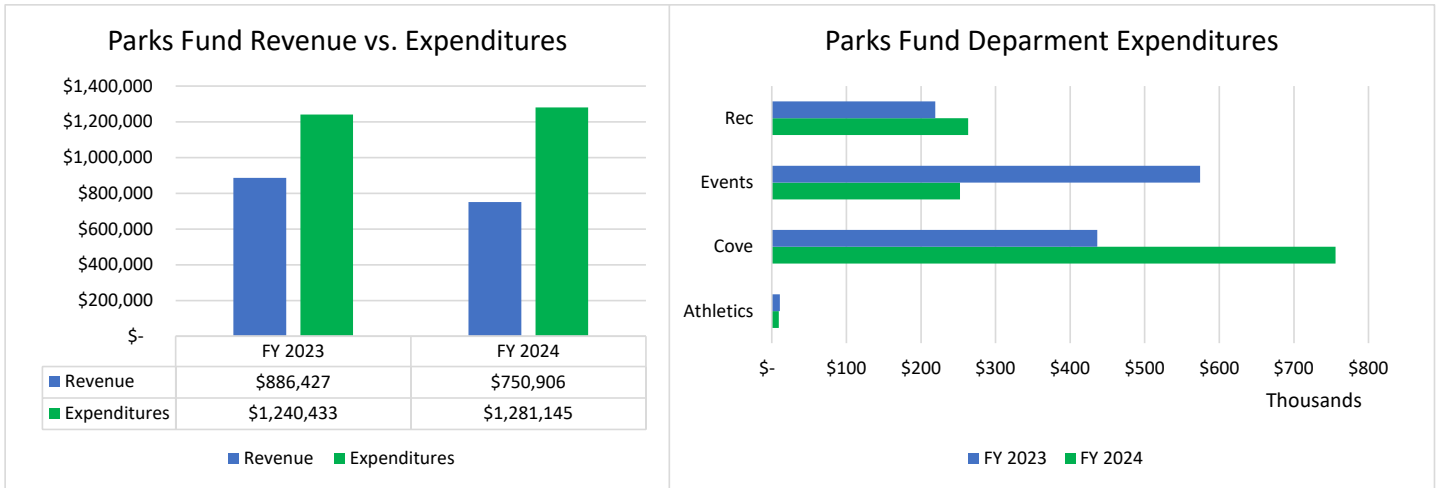
**CONSUMPTION**

- Total water consumption through this reporting period has increased from last year by 5.5%
- Total sewer consumption through this reporting period has remained approximately the same as last year.
- Denton County area rainfall increased by 3.44 inches from last year during this reporting period.



## FY 2023 - 2024 Quarter 1 Financial Report - Parks Fund

### October 1, 2023 - December 31, 2023



	Athletics	Cove	Rec Programming	Special Events	Other	Fund Total
Revenue	\$ 23,545	\$ 347,048	\$ 240,426	\$ 104,995	\$ 34,891	\$ 750,906
Expenditures	\$ 9,404	\$ 755,908	\$ 263,368	\$ 252,466	\$ -	\$ 1,281,145
<b>Cost Recovery</b>	<b>250%</b>	<b>46%</b>	<b>91%</b>	<b>42%</b>	<b>N/A</b>	<b>59%</b>

### REVENUE

- Parks Fund Revenue is pacing behind last year relative to the total budget by 5%. Revenue through this period has reached 14% of the budget.
- Special Events revenue is pacing behind last year relative to the total budget by 10%. This is due to changes in Special Events programming for this period.

### EXPENDITURES

- Through this reporting period, expenditures for the Cove® are exceeding last year relative to the total budget by 7%. This is due to planned maintenance and updates to the facility.
- Through this reporting period, expenditures for the Parks Fund are lower than last year relative to the total budget by 2% due to changes in Special Event programming. Total expenditures have reached 23% of the budget.

### COST RECOVERY

- The Cove® is currently 46% cost recovered due to planned maintenance and updates during the less active winter season.
- Special events is currently 42% cost recovered due to pre-event expenses and non-ticketed events.
- Through this reporting period, the Parks Fund is currently 59% cost recovered. This is down from last year through the same period by 12%.





**Date:** 02/20/2024  
**Agenda Item #:** 4. I.  
**Department:** Finance  
**Strategic Goal:** Maintain operational integrity and viability  
**Staff Contact:** Kelly Wilson, Chief Financial Officer

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**AGENDA ITEM:**

Consider Action to Approve **Ordinance 1751 Providing for Residential, Irrigation, Wholesale, Well and Reuse, Commercial, and Hydrant Meter Water and Wastewater Fees and Rates; Providing for a Repealing Clause; Providing for a Severability Clause; and Providing an Effective Date.**

**DESCRIPTION:**

The Town adopted its last rate plan in 2020 which established a five-year rate plan.

Since then, Town staff and Rebecca Shafer of NewGen Strategies & Solutions have been reviewing the rates to ensure the rates meet the cost of service and are on track with assumptions built into the rate model. The 2020 rate plan has been sufficient for the last four years in meeting the town's cost of service, debt coverage, and adequate fund balance. Due to the significant increases from NTMWD for water purchase rates to member cities, staff recommends a new five-year rate plan. The consultant presented the latest rate study findings and recommendations to the Council in a workshop forum on February 6.

The ordinance reflects the following rate structures for all 5 years.

- Annual adjustments for Water beginning October 2024 for outer fiscal years 2025-2029
- No adjustments are currently projected for wastewater

The proposed rate plan will be sufficient to fund operating, NTMWD customer rates, debt, and capital expenditures to be incurred by the Town over the forecasted time frame and maintain healthy fund balances for contingencies and emergencies. Staff recommends that the rates for water and wastewater continually be reviewed to verify sufficient funding as noted above.

**BUDGET IMPACT:**

The rate ordinance and projected consumption is used to develop the Town's Fiscal Year 2025 budget and financial plan.

**RECOMMENDED ACTION:**

Staff recommends approval.

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### **Attachments**

Ordinance No. 1751 Water-Wastewater Rates

## ORDINANCE NO. 1751

AN ORDINANCE OF THE TOWN OF LITTLE ELM, TEXAS, PROVIDING FOR RESIDENTIAL, IRRIGATION, WHOLESALE, WELL AND REUSE, COMMERCIAL AND HYDRANT METER WATER AND WASTEWATER FEES AND RATES; PROVIDING FOR A REPEALING CLAUSE; PROVIDING FOR A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

BE IT OBTAINED BY THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM, TEXAS THAT:

### SECTION 1. Residential Water Rates:

- (A) From and after the effective date hereof, the monthly minimum base charges for water up to 2,000 gallons for water utility services for all residential customers of the Town of Little Elm, Texas shall be as set forth below until amended by ordinance of Town Council:

Water Base Rate in Gallons by Meter Size	\$	Rate (Effective 10-01-24)	Rate (Effective 10-01-25)	Rate (Effective 10-01-26)	Rate (Effective 10-01-27)	Rate (Effective 10-01-28)
Up to 2,000 Gallons (5/8" Meter)		27.34	29.25	31.30	33.49	35.83
Up to 2,000 Gallons (1" Meter)		44.69	47.82	51.17	54.75	58.58
Up to 2,000 Gallons (1.5" Meter)		81.83	87.56	93.69	100.25	107.27
Up to 2,000 Gallons (2" Meter)		136.70	146.27	156.51	167.47	179.19
Up to 2,000 Gallons (3" Meter)		273.46	292.60	313.08	335.00	358.45
Up to 2,000 Gallons (4" Meter)		894.05	956.63	1,023.59	1,095.24	1,171.91
Up to 2,000 Gallons (6" Meter)		1,790.46	1,915.79	2,049.90	2,193.39	2,346.93

- (B) All residential customers will pay monthly volumetric usage charges with respect to each 1,000 gallons of metered water after the first 2,000 gallons as follows:

Volumetric Rate per each 1,000 Gallons Usage above Base Rate (all meter sizes)	\$	Rate (Effective 10-01-24)	Rate (Effective 10-01-25)	Rate (Effective 10-01-26)	Rate (Effective 10-01-27)	Rate (Effective 10-01-28)
2,000 – 10,000 (gals.)		7.25	7.76	8.30	8.88	9.50
10,001 – 20,000 (gals.)		7.59	8.12	8.69	9.30	9.95
20,001 & Above (gals.)		7.92	8.47	9.06	9.69	10.37

### SECTION 2. Residential Wastewater Rates and Winter-Average:

- (A) From and after the effective date hereof, the following wastewater base and volumetric charges shall apply to all metered residential water service accounts where wastewater collection and treatment services are provided to customers:

<b>Wastewater Rates</b>	<b>\$</b>	<b>Rate</b> (Eff. 10-01-24) (per 1,000 gallons)	<b>Rate</b> (Eff. 10-01-25) (per 1,000 gallons)	<b>Rate</b> (Eff. 10-01-26) (per 1,000 gallons)	<b>Rate</b> (Eff. 10-01-27) (per 1,000 gallons)	<b>Rate</b> (Eff. 10-01-28) (per 1,000 gallons)
Residential Base Rate – 1 <sup>st</sup> 2,000 Gallons		30.73	30.73	30.73	30.73	30.73
2,001 & Above (winter average vol. rate)		4.71	4.71	4.71	4.71	4.71

- (B) From and after the effective date hereof, the monthly charges for wastewater service shall be based on a winter averaging of water usage during the three-month period of December, January and February. The winter average method will only apply to residential accounts that are separately metered. In the absence of historical water use to establish a wastewater average, a volume of 6,000 gallons of water will be used as the basis for establishing a new customer's monthly wastewater charge until a usage-based average is established.

**SECTION 3. Commercial Water Rates: Businesses, Schools, Apartments, Manufactured Home Parks, and other multi-family units:**

- (A) From and after the effective date hereof, the monthly minimum base charges for water up to 2,000 gallons for water utility services for all businesses and schools shall be as set forth below:

<b>Water Base Rate in Gallons by Meter Size</b>	<b>\$</b>	<b>Rate</b> (Effective 10-01-24)	<b>Rate</b> (Effective 10-01-25)	<b>Rate</b> (Effective 10-01-26)	<b>Rate</b> (Effective 10-01-27)	<b>Rate</b> (Effective 10-01-28)
Up to 2,000 Gallons (5/8" Meter)		27.34	29.25	31.30	33.49	35.83
Up to 2,000 Gallons (1" Meter)		44.69	47.82	51.17	54.75	58.58
Up to 2,000 Gallons (1.5" Meter)		81.83	87.56	93.69	100.25	107.27
Up to 2,000 Gallons (2" Meter)		136.70	146.27	156.51	167.47	179.19
Up to 2,000 Gallons (3" Meter)		273.46	292.60	313.08	335.00	358.45
Up to 2,000 Gallons (4" Meter)		894.05	956.63	1,023.59	1,095.24	1,171.91
Up to 2,000 Gallons (6" Meter)		1,790.46	1,915.79	2,049.90	2,193.39	2,346.93
Up to 2,000 Gallons (8" Meter)		2,166.56	2,318.22	2,480.50	2,654.14	2,839.93

- (B) All businesses and school customers will pay a monthly volumetric usage charge in addition to the base rate with respect to each 1,000 gallons of metered water after the first 2,000 gallons as follows:

<b>Volumetric Rate per each 1,000 Gallons Usage above Base Rate (all meter sizes)</b>	<b>\$</b>	<b>Rate</b> (Effective 10-01-24)	<b>Rate</b> (Effective 10-01-25)	<b>Rate</b> (Effective 10-01-26)	<b>Rate</b> (Effective 10-01-27)	<b>Rate</b> (Effective 10-01-28)
2,000 gallons and greater		8.04	8.60	9.20	9.84	10.53

- (C) All apartments and manufactured home park consumers shall be assessed a base minimum charge for each unit in each complex with a credit of 2,000 gallons for each unit (dwelling) as follows:

<b>Water Base Rate by multi-family unit (dwelling) &amp; Gallons by Meter Size</b>	<b>\$</b>	<b>Rate (Effective 10-01-24)</b>	<b>Rate (Effective 10-01-25)</b>	<b>Rate (Effective 10-01-26)</b>	<b>Rate (Effective 10-01-27)</b>	<b>Rate (Effective 10-01-28)</b>
Up to 2,000 Gallons (5/8" Meter)		27.34	29.25	31.30	33.49	35.83
Up to 2,000 Gallons (1" Meter)		44.69	47.82	51.17	54.75	58.58
Up to 2,000 Gallons (1.5" Meter)		81.83	87.56	93.69	100.25	107.27
Up to 2,000 Gallons (2" Meter)		136.70	146.27	156.51	167.47	179.19
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Up to 2,000 Gallons (6" Meter)		1,790.46	1,915.79	2,049.90	2,193.39	2,346.93
Up to 2,000 Gallons (8" Meter)		2,166.56	2,318.22	2,480.50	2,654.14	2,839.93

- (D) All apartments and manufactured home park customers will pay a monthly volumetric usage charge in addition to the base rate with respect to each 1,000 gallons of metered water after the first 2,000 gallons as follows:

<b>Volumetric Rate per each 1,000 Gallons Usage above Base Rate (all meter sizes)</b>	<b>\$</b>	<b>Rate (Effective 10-01-24)</b>	<b>Rate (Effective 10-01-25)</b>	<b>Rate (Effective 10-01-26)</b>	<b>Rate (Effective 10-01-27)</b>	<b>Rate (Effective 10-01-28)</b>
2,000 gallons and greater		9.27	9.92	10.61	11.35	12.14

#### **SECTION 4. Irrigation Water Rates:**

- (A) From and after the effective date hereof, the monthly minimum base charges for irrigation water up to 2,000 gallons for irrigation water utility services shall be as set forth below:

<b>Water Base Rate in Gallons by Meter Size</b>	<b>\$</b>	<b>Rate (Effective 10-01-24)</b>	<b>Rate (Effective 10-01-25)</b>	<b>Rate (Effective 10-01-26)</b>	<b>Rate (Effective 10-01-27)</b>	<b>Rate (Effective 10-01-28)</b>
Up to 2,000 Gallons (5/8" Meter)		27.34	29.25	31.30	33.49	35.83
Up to 2,000 Gallons (1" Meter)		44.69	47.82	51.17	54.75	58.58
Up to 2,000 Gallons (1.5" Meter)		81.83	87.56	93.69	100.25	107.27
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Up to 2,000 Gallons (6" Meter)		1,790.46	1,915.79	2,049.90	2,193.39	2,346.93
Up to 2,000 Gallons (8" Meter)		2,166.56	2,318.22	2,480.50	2,654.14	2,839.93

- (B) All irrigation water accounts will pay monthly volumetric usage charges with respect to each 1,000 gallons of metered water after the first 2,000 gallons as follows:

<b>Volumetric Rate per each 1,000 Gallons Usage above Base Rate (all meter sizes)</b>	<b>\$</b>	<b>Rate (Effective 10-01-24)</b>	<b>Rate (Effective 10-01-25)</b>	<b>Rate (Effective 10-01-26)</b>	<b>Rate (Effective 10-01-27)</b>	<b>Rate (Effective 10-01-28)</b>
2,000 – 10,000 (gals.)		7.25	7.76	8.30	8.88	9.50
10,001 – 20,000 (gals.)		7.55	8.06	8.60	9.18	9.80
20,001 & Above (gals.)		7.85	8.36	8.90	9.48	10.10

## **SECTION 5. Wholesale Water Rates:**

- (A) Wholesale water rates will be evaluated annually and the rate for the next year revised per that analysis. Beginning September 2024, and by September 1 of each year thereafter, contracted wholesale water metered accounts will be advised of any change to their volumetric wholesale water rates via written communication (email) from the Finance office of the Town of Little Elm. Wholesale water metered accounts will pay monthly volumetric usage charges with respect to each 1,000 gallons of metered water.
- (B) Rates for any Wholesale or Outside Emergency Interconnect Customers will be notified beginning September 2024, and by September 1 of each year thereafter, annually for any change in their assessed rates. Rates for these accounts will be based on the American Water Works Association (AWWA) Utility basis and the customer's historical or anticipated demand patterns and volumes.

## **SECTION 6. Well and Reuse Rates:**

- (A) From and after the effective date hereof, the monthly minimum base charges for well and reuse water accounts up to 2,000 gallons shall be as set forth below:

<b>Water Base Rate in Gallons By</b>	<b>\$</b>	<b>Rate (Effective 10-01-24)</b>	<b>Rate (Effective 10-01-25)</b>	<b>Rate (Effective 10-01-26)</b>	<b>Rate (Effective 10-01-27)</b>	<b>Rate (Effective 10-01-28)</b>
N/A		N/A	N/A	N/A	N/A	N/A

- (B) All well and reuse meter accounts will pay monthly volumetric usage charges with respect to each 1,000 gallons of metered water as follows:

<b>Volumetric Rate per each 1,000 Gallons Usage above Base Rate (all meter sizes)</b>	<b>\$</b>	<b>Rate (Effective 10-01-24)</b>	<b>Rate (Effective 10-01-25)</b>	<b>Rate (Effective 10-01-26)</b>	<b>Rate (Effective 10-01-27)</b>	<b>Rate (Effective 10-01-28)</b>
1,000 gallons and above		4.29	4.35	4.41	4.48	4.55

## **SECTION 7. Hydrant Meter Rates:**

- (A) From and after the effective date hereof, the monthly minimum base charges for hydrant meter water up to 2,000 gallons shall be as set forth below:

<b>Water Base Rate in Gallons by Meter Size</b>	<b>\$</b>	<b>Rate (Effective 10-01-24)</b>	<b>Rate (Effective 10-01-25)</b>	<b>Rate (Effective 10-01-26)</b>	<b>Rate (Effective 10-01-27)</b>	<b>Rate (Effective 10-01-28)</b>
Up to 2,000 Gallons (5/8" Meter)		27.34	29.25	31.30	33.49	35.83
Up to 2,000 Gallons (1" Meter)		44.69	47.82	51.17	54.75	58.58
Up to 2,000 Gallons (1.5" Meter)		81.83	87.56	93.69	100.25	107.27
Up to 2,000 Gallons (2" Meter)		136.70	146.27	156.51	167.47	179.19
Up to 2,000 Gallons (3" Meter)		273.46	292.60	313.08	335.00	358.45
Up to 2,000 Gallons (4" Meter)		894.05	956.63	1,023.59	1,095.24	1,171.91
Up to 2,000 Gallons (6" Meter)		1,790.46	1,915.79	2,049.90	2,193.39	2,346.93

Up to 2,000 Gallons (8" Meter)		2,166.56	2,318.22	2,480.50	2,654.14	2,839.93
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(B) All hydrant meter accounts will pay monthly volumetric usage charges with respect to each 1,000 gallons of metered water after the first 2,000 gallons as follows:

<b>Volumetric Rate per each 1,000 Gallons Usage above Base Rate (all meter sizes)</b>	<b>\$</b>	<b>Rate (Effective 10-01-24)</b>	<b>Rate (Effective 10-01-25)</b>	<b>Rate (Effective 10-01-26)</b>	<b>Rate (Effective 10-01-27)</b>	<b>Rate (Effective 10-01-28)</b>
2,001 gallons and above		9.45	10.11	10.82	11.58	12.39

**SECTION 8. Commercial Wastewater Rates:** Business, Schools, Apartments, Manufactured Home, Parks, Church's, and other multi-family:

(A) From and after the effective date hereof, the following wastewater base and volumetric charges shall apply to all metered commercial water service accounts where wastewater collections and treatment services are provided to customers:

<b>Wastewater Rates (per 1,000 gallons)</b>	<b>\$</b>	<b>Rate (Effective 10-01-24)</b>	<b>Rate (Effective 10-01-25)</b>	<b>Rate (Effective 10-01-26)</b>	<b>Rate (Effective 10-01-27)</b>	<b>Rate (Effective 10-01-28)</b>
Commercial Base Rate – 1 <sup>st</sup> 2,000 gallons		30.73	30.73	30.73	30.73	30.73
2,001 gallons and above		4.71	4.71	4.71	4.71	4.71

**SECTION 9. Wholesale Wastewater Rates:**

(A) Wholesale wastewater rates will be evaluated annually and the rate for the next year revised per that analysis. Beginning September 2024, and by September 1 of each year thereafter, contracted wholesale wastewater metered accounts will be advised of any change to their volumetric wholesale wastewater rates via written communication (email) from the Finance office of the Town of Little Elm.

**SECTION 10. Connect Fees:** From and after the effective date hereof the charges to be collected for Meter Sets and Taps are as follows:

<b>Fees by Meter Size</b>	<b>\$</b>	<b>Rate (Effective 10-01-24)</b>	<b>Rate (Effective 10-01-25)</b>	<b>Rate (Effective 10-01-26)</b>	<b>Rate (Effective 10-01-27)</b>	<b>Rate (Effective 10-01-28)</b>
<b><i>Meter Set Fees</i></b>						
5/8" Meter		550.00	566.50	583.50	601.00	620.00
1" Meter		625.00	643.75	663.00	683.00	700.00
1.5" Meter		900.00	927.00	955.00	984.00	1,013.00
2" Meter		2,250.00	2,317.50	2,387.00	2,459.00	2,535.00
<b><i>Water Tap Fees</i></b>						
5/8" Meter		2,225.00	2,291.75	2,360.50	2,431.00	2,500.00
1" Meter		2,225.00	2,291.75	2,360.50	2,431.00	2,500.00
1.5" Meter		2,525.00	2,600.75	2,680.00	2,760.00	2,840.00
2" Meter		2,525.00	2,600.75	2,680.00	2,760.00	2,840.00
<b><i>Sewer Tap Fees</i></b>						
4" Tap		1,650.00	1,700.00	1,750.00	1,800.00	1,855.00

(A) Boring fees will be determined at the time of connection and will be the full responsibility of the customer.

**SECTION 11. Service Fees:** From and after the effective date hereof the charges to be collected for services associated with providing utility services as follows:

<b>Service Fees</b>	<b>\$</b>	<b>Rate</b> (Effective 10-01-24)	<b>Rate</b> (Effective 10-01-25)	<b>Rate</b> (Effective 10-01-26)	<b>Rate</b> (Effective 10-01-27)	<b>Rate</b> (Effective 10-01-28)
Delinquent Fee (Failure to pay)		50.00	50.00	50.00	50.00	50.00
Penalty Assessment on past-due accounts		10%	10%	10%	10%	10%
Return Check Fee		30.00	30.00	30.00	30.00	30.00
Application/Processing Fee (residential & commercial)		15.00	15.00	15.00	15.00	15.00
Meter Penalty		50.00	50.00	50.00	50.00	50.00
Meter Flow Testing Fee (assessed if passing)		50.00	50.00	50.00	50.00	50.00
Meter Consumption Diagnostic Report (upon the 2 <sup>nd</sup> request annually)		25.00	25.00	25.00	25.00	25.00
Missed Appointment Fee		50.00	50.00	50.00	50.00	50.00
After Hour Service Fee		50.00	50.00	50.00	50.00	50.00

**SECTION 12. Deposit:** From and after the effective date hereof a refundable deposit for utility services shall be made with the customer service department of the town at the time of making application for utility services as follows:

<b>Deposits</b>	<b>\$</b>	<b>Rate</b> (Effective 10-01-24)	<b>Rate</b> (Effective 10-01-25)	<b>Rate</b> (Effective 10-01-26)	<b>Rate</b> (Effective 10-01-27)	<b>Rate</b> (Effective 10-01-28)
Residential Single Family (Applicants 62 years of age and older are exempt with ID)		200.00	200.00	200.00	200.00	200.00
Residential Irrigation Service		200.00	200.00	200.00	200.00	200.00
Commercial Service		350.00	350.00	350.00	350.00	350.00
Apartments, per unit		200.00	200.00	200.00	200.00	200.00
Fire Hydrant or Portable Meter		1,000.00	1,000.00	1,000.00	1,000.00	1,000.00

**SECTION 13. Deposit Refunds:** Upon termination of services, refunds will be forwarded to customer's forwarding address or last known address. Deposits are held until an account is closed and is applied or refunded.

**SECTION 14. Repeal of Conflicting Ordinances:** All ordinances or parts of ordinances in force when the provisions of this ordinance become effective, which are inconsistent or in conflict with the terms or provisions contained in this ordinance, are hereby repealed to the extent of any such conflict. This Ordinance amends those utility rates for residential and commercial water and wastewater previously established by Ordinance No. 1472. This Ordinance does not, however, amend or in any way alter the refuse rates established by Ordinance No. 1535 and such refuse rates will remain as established until and unless they are specifically amended by Town Council action and the passage of an amending ordinance regarding same.

**SECTION 15. Severability Clause:** If any clause, phrase, sentence, paragraph or section of this ordinance shall be void or unconstitutional for any reason, such invalidity shall not affect any other provisions of the ordinance and such clause, phrase, sentence, paragraph or section is hereby declared severable.



**SECTION 16. Saving Clause:** This Ordinance shall be cumulative of all other ordinances of the Town and shall not repeal any of the provisions of those ordinances except in those instances where the provisions of those ordinances are in direct conflict with the provisions of this Ordinance. This Ordinance amends those utility rates for residential and commercial water and wastewater previously established by Ordinance No. 1472, and does not, however, amend or in any way alter the refuse rates established by Ordinance No. 1535, and such refuse rates will remain as established until and unless they are specifically amended by Town Council action and the passage of an amending ordinance regarding same.

**SECTION 17. Providing for Publication:** Providing for the publication of this caption of this ordinance and effective date hereof. The newspaper having general circulation in the Town shall be effective immediately upon its passage and publication.

**SECTION 18. Effective date:** This Ordinance shall take effect immediately following its adoption and publication in accordance with and provided by law and the Town Charter.

**SECTION 19. Subject to Revision:** It is the customary practice and intention of the Town to perform periodic or annual reviews of the water and wastewater utility rates in order to confirm or adjust the forecast rates for water and wastewater as needed.

**PASSED AND APPROVED** by the Town Council of the Town of Little Elm, Texas on the 20th day of February, 2024.

TOWN OF LITTLE ELM, TEXAS

\_\_\_\_\_  
Curtis J. Cornelious, Mayor

Attest

\_\_\_\_\_  
Caitlan Biggs, Town Secretary



**Date:** 02/20/2024  
**Agenda Item #:** 4. J.  
**Department:** Development Services  
**Strategic Goal:** Promote and expand Little Elm's identity  
**Staff Contact:** Olga Chernomorets, Planning Manager

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**AGENDA ITEM:**

Consider Action to Approve **Planning & Zoning Commissioner Appointments.**

**DESCRIPTION:**

**The Planning and Zoning Commission Appointment Committee recommends the following re-appointments:**

Tom Ocelli - P&Z Place 1 (new term expires 09/30/2027)

Debra Cadet - P&Z/BOA Alternate (new term expires 09/30/2027)

**The Planning and Zoning Commission Appointment Committee recommends the following appointment:**

Brian Kuberski - P&Z/BOA Alternate (new term expires 09/30/2027)

**BUDGET IMPACT:**

This item has no budget impacts.

**RECOMMENDED ACTION:**

The P&Z Appointment Committee recommends approval.

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**Date:** 02/20/2024  
**Agenda Item #:** 4. K.  
**Department:** Development Services  
**Strategic Goal:** Promote and expand Little Elm's identity  
**Staff Contact:** Olga Chernomorets, Planning Manager

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**AGENDA ITEM:**

Consider Action to Approve **Board of Adjustment Term Expiration Extension.**

**DESCRIPTION:**

Currently, Sec. 106.02.02 - Board of Adjustment provides term expiration on February 28 of the year that the term ends. In coordination with the Town Secretary's efforts to realign all boards and commissions to expire in September, Staff is proposing to extend the current BOA terms to expire on September 30, 2024, instead of February 28, 2024.

If the request is approved, the new term expiration will apply as follows:

Jeffery Burton - Place 1 (term expires 9/30/2024)  
Mia Harvey - Place 2 (term expires 9/30/2024)  
James Murdock - Place 3 (term expires 9/30/2024)  
Dr. Velma Wallace Evans - Place 4 (term expires 9/30/2024)  
Vince Handler - Place 5 (term expires 9/30/2024)

**BUDGET IMPACT:**

This item has no budget impact.

**RECOMMENDED ACTION:**

Staff recommends approval.

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**Date:** 02/20/2024  
**Agenda Item #:** 4. L.  
**Department:** Finance  
**Strategic Goal:** Maintain operational integrity and viability  
**Staff Contact:** Kelly Wilson, Chief Financial Officer

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**AGENDA ITEM:**

Consider Action to Accept the **Annual Financial Report for Tax Increment Reinvestment Zone #3 (TIRZ #3) for the reporting period ending September 30, 2023.**

**DESCRIPTION:**

State law, Section 311.016 of the Texas Tax Code requires the governing body of a municipality or county to submit a report on the state of the reinvestment zone created by the municipality to the chief executive officer of each taxing unit that levies property taxes on real property in the zone. A copy of this annual report must be submitted to the Texas Comptroller of Public Accounts on or before the 150th day following the end of its fiscal year. The intent of this report is to comply with state law as well as provide an overview and transparency of the financial condition of TIRZ #3.

**BUDGET IMPACT:**

Fiscal Year (FY) 2022-2023 revenue was under projections by \$21,785 when staff presented the adopted FY2024 budget, however, expenditures were under projections by \$79,208. Therefore, the fund balance is higher than projected for the year-end. At the time the FY2024 budget was prepared, we anticipated a fund balance of \$159,497 to carry over into FY 2024. TIRZ #3 actual fund balance at the end of FY2023 is \$216,920 or 36% higher than projected.

**RECOMMENDED ACTION:**

TIRZ #3 Board recommends acceptance of the TIRZ #3 annual financial report for fiscal year reporting period 2023.

---

**Attachments**

TIRZ #3 Annual Financial Report FY 2023



# LITTLE ELM

**Tax Increment Reinvestment Zone #3  
(TIRZ #3)**

## **ANNUAL REPORT**

**FISCAL YEAR 2023**

**TOWN OF LITTLE ELM, TEXAS  
TAX INCREMENT REINVESTMENT ZONE #3**

**As of September 30, 2023**

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- II. PUBLIC INFRASTRUCTURE & PROJECT COSTS***
- III. ANNUAL FINANCIALS***
- IV. TAXABLE VALUE HISTORY***
- V. TIRZ FUND FINANCIAL STATEMENT***

**APPENDIX A – TIRZ #3 EXPENDITURES**

**APPENDIX B – TIRZ #3 MAP**

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## ***I. YEAR END SUMMARY OF MEETINGS/TOWN COUNCIL/BOARD ACTIONS***

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In October 2013, the Town of Little Elm Town Council appointed members for the Tax Increment Reinvestment Zone #3 (“TIRZ #3”) Board of Directors. TIRZ #3 was created to identify and assist in financing property acquisition and improvements, storm sewer improvements, parks, trails, landscaping, irrigation, street lighting improvements, event center, recreation centers, parking lots, Cove improvements, charging stations to benefit the property within TIRZ #3 and which are outlined in greater detail in Section II of this report.

Board members appointed and currently serving are: Town—Mayor Curtis Cornelious, Mayor Pro-Tem Jamell Johnson, Councilmembers Tony Singh, Neil Blais, Lisa Norman, Andrew Evans, and Michel Hambrick, County-David Hillock and Steve Knippen.

The TIRZ #3 Financial Plan was amended and approved by the Board and Council September 7, 2021.

FY2022-2023 budget was approved by the Board members and Council on September 6, 2022. This report provides a financial recap for FY2022-2023.

## II. PUBLIC INFRASTRUCTURE & PROJECT COSTS

### Estimated Project Costs<sup>1,2</sup>

Project Description	Estimated Cost	Status
Main Street	\$5,000,000	Completed
Clark Street	\$1,000,000	Completed
Lakefront Parking at Hula Hut	\$3,000,000	Completed
Rec Center	\$6,000,000	Completed
Rec Center Expansion	\$6,000,000	Completed
Little Elm Park -Swim Beach	\$4,000,000	Completed
Lakefront Trail	\$6,000,000	Completed
Button Street	\$1,500,000	Completed
The Cove	\$24,000,000	Completed
Lakefront Storm Sewer	\$350,000	In progress
Lakefront Plazas and Public Parking	\$2,000,000	In progress
Landscaping	\$10,000,000	In progress
Comprehensive Lighting Lakefront	\$2,000,000	In progress
Property Acquisition and Improvements	\$50,000,000	In progress
Beard Park/ Maintenance and improvements	\$5,000,000	In progress
Trails	\$3,000,000	In progress
Cottonwood Park - Phase I	\$5,000,000	In progress
Little Elm Park Future Development	\$19,000,000	In progress
Website -Marketing	\$3,000,000	In progress
Shuttle	\$600,000	In progress
Banners	\$600,000	In progress
Beach Sand	\$900,000	In progress
Lakefront Lighting Project	\$500,000	In progress
Electrical Boxes	\$50,000	In progress
Special Events Sponsorships/ Administration	\$3,000,000	In progress
Signage/ Placemaking	\$3,000,000	In progress
Lakefront parking lot expansion	\$3,330,000	In progress
Woodrow Circle	\$515,000	In progress
Park Improvements at Water Tower -The Lawn	\$2,500,000	Project not commenced
Charging Station	\$80,000	Project not commenced
Youth Sports Improvements	\$7,000,000	Project not commenced
Main Street traffic light	\$500,000	Project not commenced
Event Center	\$6,000,000	Project not commenced
Cottonwood Park - Future Phases	\$17,000,000	Project not commenced
Public Safety Services	\$15,000,000	Project not commenced
Cove Expansion	\$22,000,000	Project not commenced
<b>Total Estimated Project Costs</b>	<b>\$238,425,000</b>	

1 – As provided in the TIRZ #3 2021 Amended Project and Finance Plan.

2 – See Appendix B for funding sources related to TIRZ #3 Project Costs.



**Estimated Non-Project Costs**

As provided in the TIRZ #3 2021 Amended Project and Finance Plan the estimated amount of non-project costs of \$169,000,000.

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### ***III. ANNUAL FINANCIALS***

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Pursuant to State Law (Section 311.016, Tax Code), the following financial information is required for the fiscal year ending September 30, 2023 (unless otherwise noted):

**1. Amount and source of revenue in the tax increment fund established for TIRZ #3:**

Tax Increments received	\$545,453
Sales Tax Increments received	\$158,829
Interest income earned	\$ 34,834
Total Revenue	\$739,116

**2. Amount and purpose of expenditures from the tax increment fund established for TIRZ #3:**

Total Expenditures*	\$1,539,061
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\*Refer to Appendix A for additional fiscal year 2023 TIRZ related expenditures

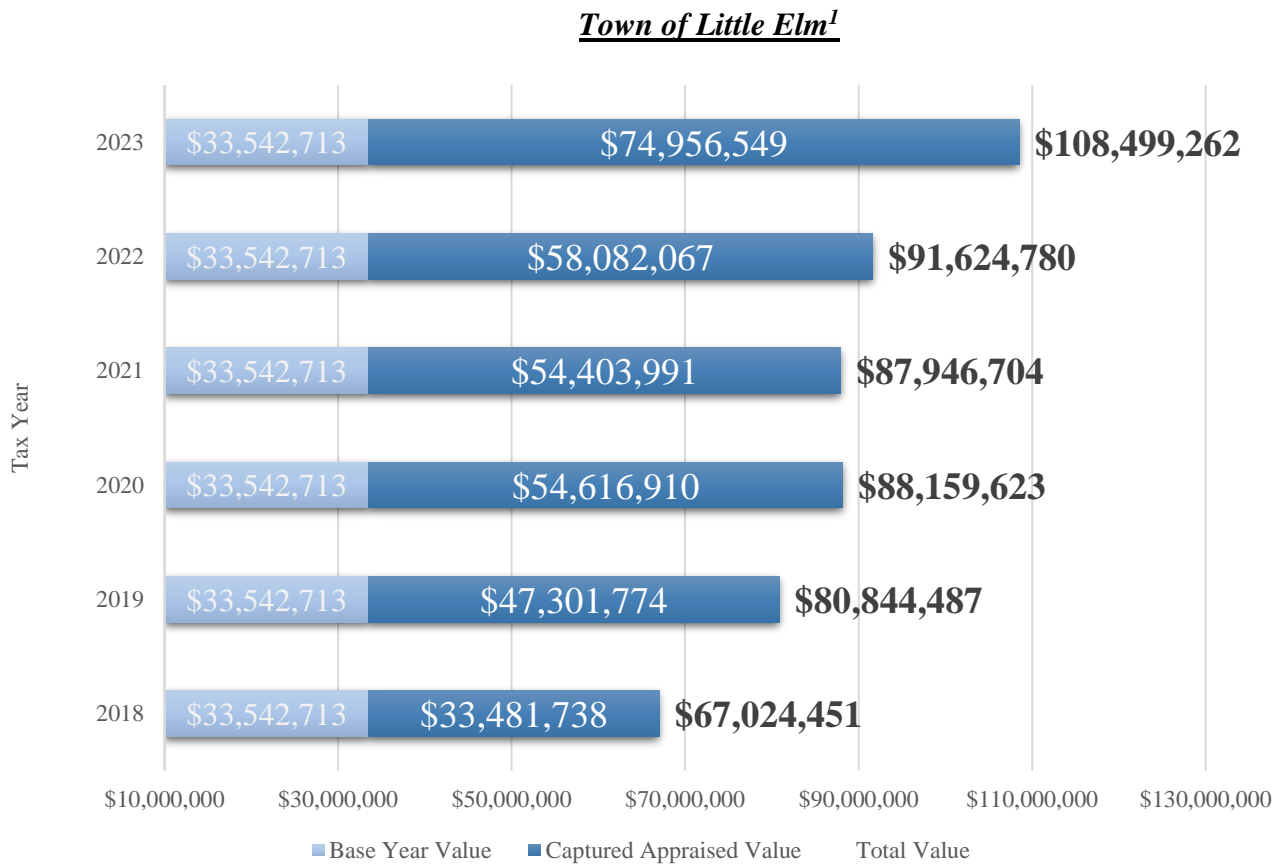
**3. Amount of principal and interest due on outstanding indebtedness:**

As of September 30, 2023, the current outstanding bonded indebtedness for TIRZ #3 is \$5,497,937 (principal \$4,460,000 and interest \$1,037,937).

TIRZ #3 issued a 2020 Certificate of Obligation in the amount of \$3,330,000 for the Lakefront parking lot improvements.

TIRZ #3 issued a 2021 Certificate of Obligation in the amount of \$2,000,000 for the Lawn at Lakefront project.

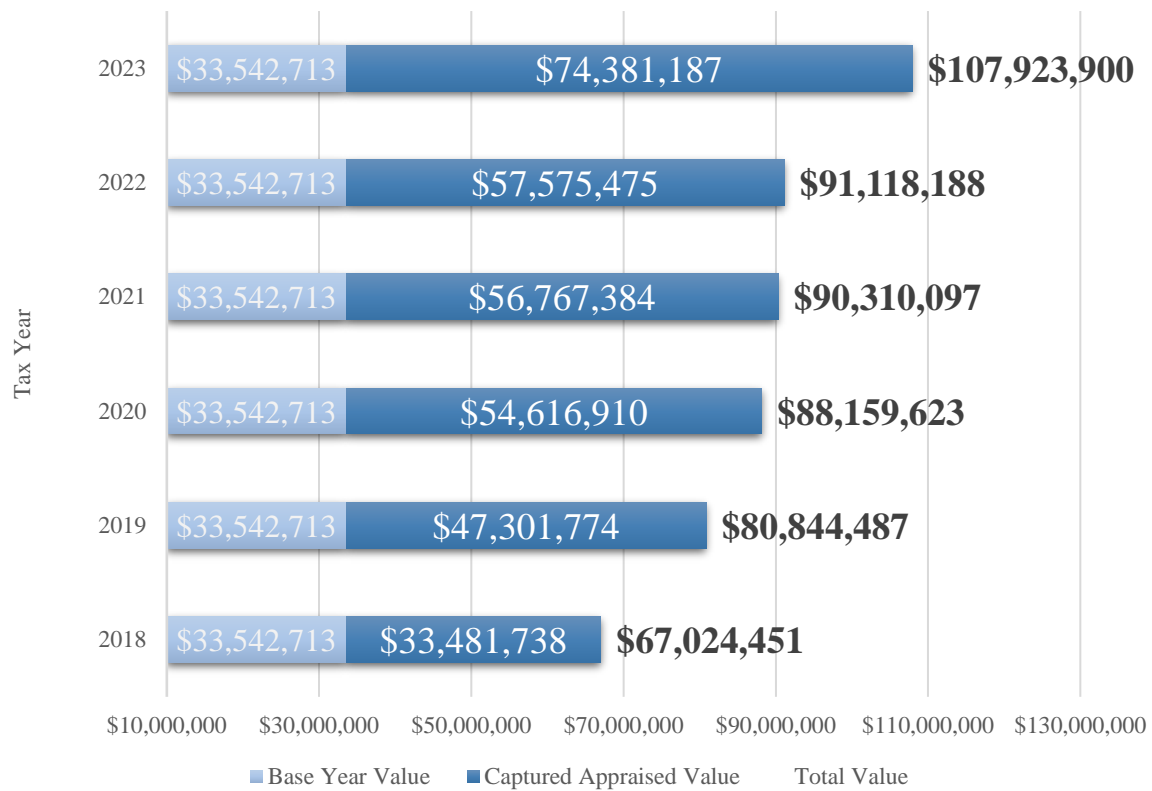
**4. Tax Increment base and current captured appraised value retained by TIRZ #3:**



1 – Town participation is 100% of ad valorem property tax revenues generated from annual captured appraised values.

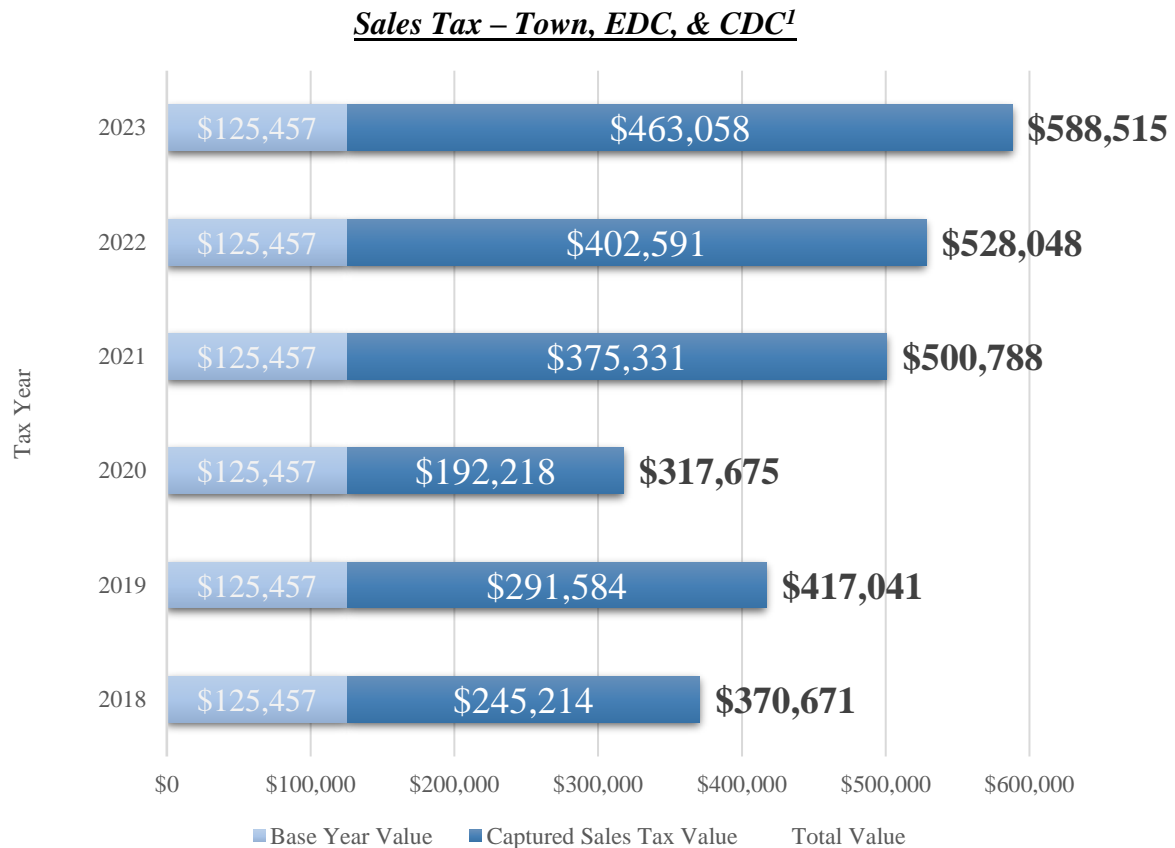
**Tax Increment base and current captured appraised value retained by TIRZ #3:**

**Denton County<sup>1</sup>**



1 – County participation is 50% of ad valorem property tax revenues generated from annual captured appraised values.

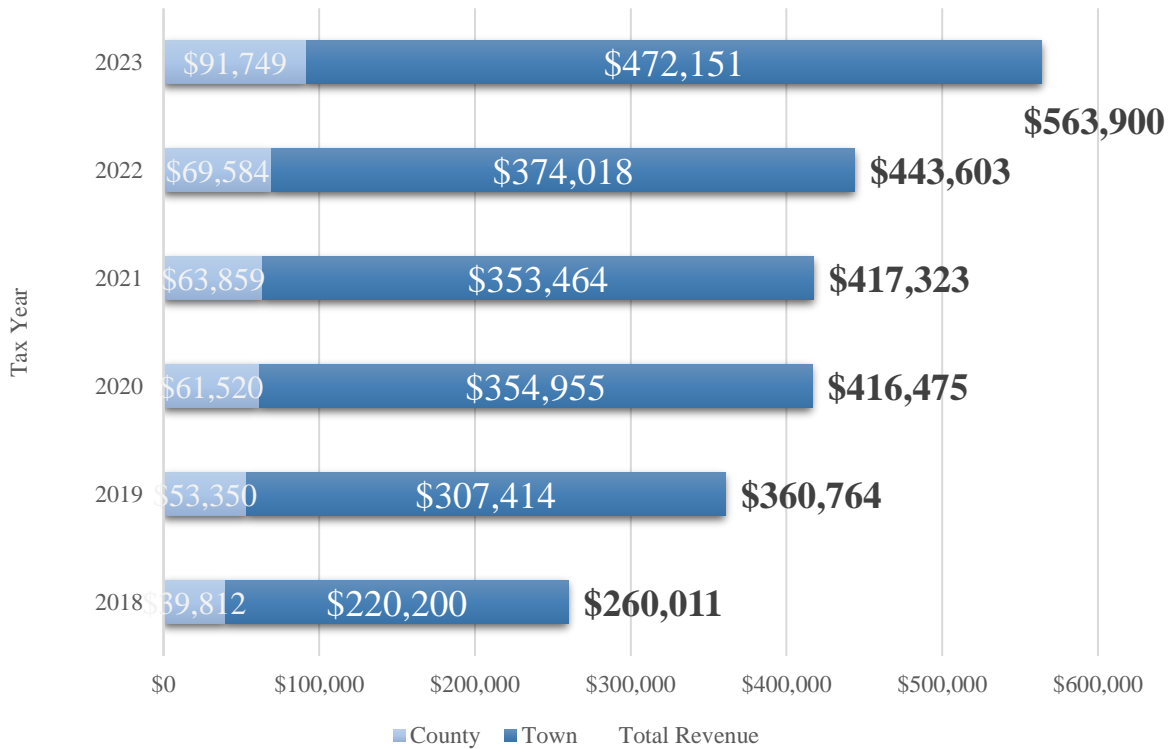
**Tax Increment base and current captured appraised value retained by TIRZ #3:**



1 – Town participation is 10% of one cent (\$0.01) of sales tax revenues generated from annual captured sales tax values. EDC participation is 80% of one-half cent (\$0.005) of sales tax revenues generated from annual captured sales tax values. CDC participation is 80% of one-quarter cent (\$0.0025) of sales tax revenues generated from annual captured sales tax values.

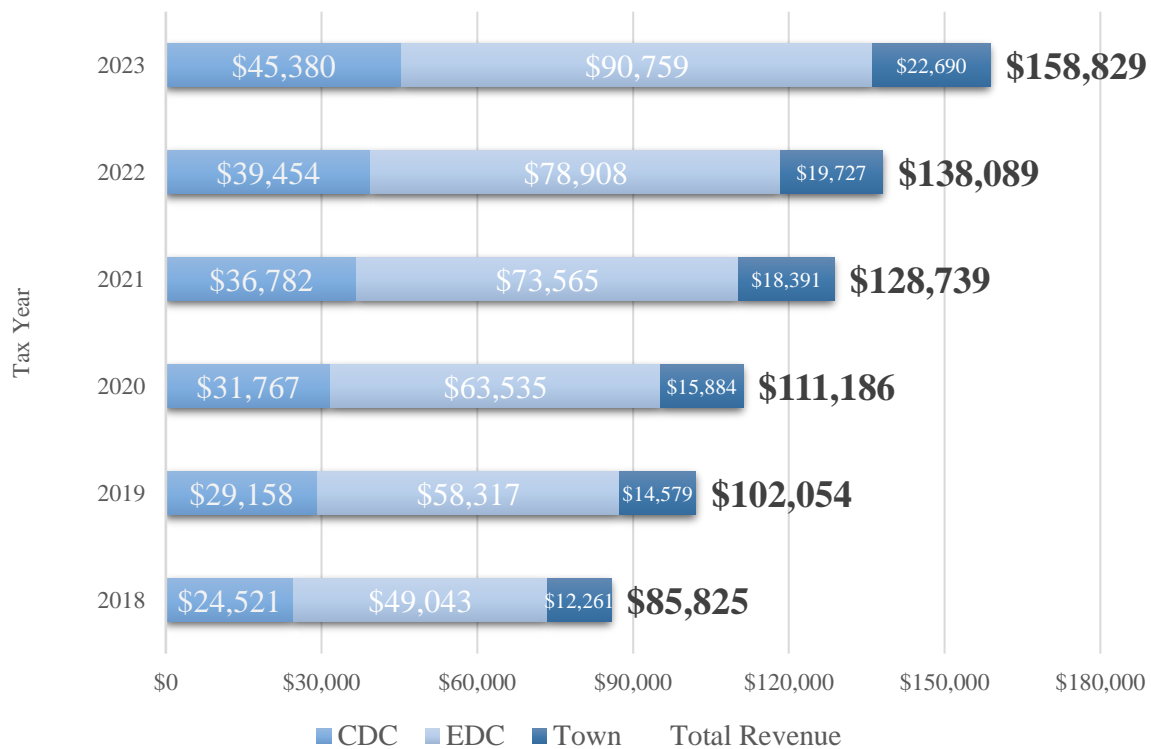
**5. Total amount of the tax incremental revenue received, and any additional information necessary to demonstrate compliance with the tax increment project and financing plan adopted by the governing body of the municipality.**

**Ad Valorem**  
**Town of Little Elm & Denton County<sup>1</sup>**



1 – Town participation is 100% of ad valorem property tax revenues generated from annual captured appraised values. County participation is 50% of ad valorem property tax revenues generated from annual captured appraised values.

**Sales Tax**  
**CDC, EDC, & Town<sup>1</sup>**



1-Town participation is 10% of one cent (\$0.01) of sales tax revenues generated from annual captured sales tax values. EDC participation is 80% of one-half cent (\$0.005) of sales tax revenues generated from annual captured sales tax values. CDC participation is 80% of one-quarter cent (\$0.0025) of sales tax revenues generated from annual captured sales tax values.

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#### ***IV. TIRZ FUND FINANCIAL STATEMENT***

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##### **TIRZ FUND FINANCIAL STATEMENT** ***Fiscal Year ending September 30, 2023***

			<b>Total</b>
<hr/>			
<b>Beginning Balance:</b>			
	10/1/2022	\$	1,016,865
<b>Revenues:</b>			
Property Tax:			
Town		\$	453,704
Delinquent		\$	-
County		\$	91,749
Property Rollback Taxes		\$	-
Sales Tax			
Town of Little Elm		\$	22,690
EDC		\$	90,759
CDC		\$	45,380
Interest		\$	34,834
<b>TOTAL REVENUES</b>		\$	739,115
<hr/>			
<b>Expenditures:</b>			
TIRZ Expenditures <sup>1</sup>		\$	1,539,061
<b>TOTAL EXPENDITURES</b>		\$	1,539,061
<hr/>			
<b>Ending Balance:</b>			
	9/30/2023	\$	<b>216,920</b>

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1 – For additional TIRZ expenditure details refer to Appendix A.

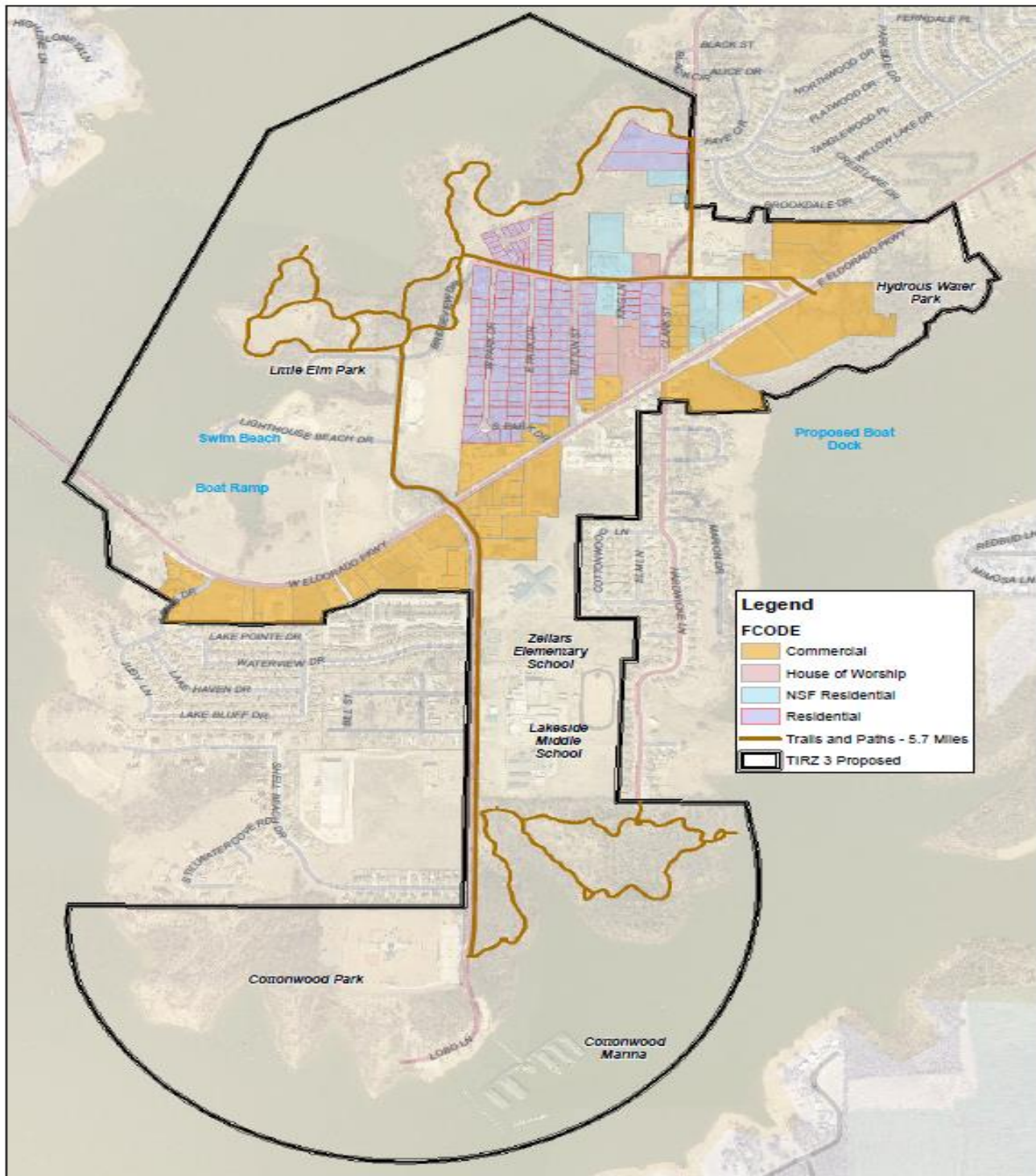


**APPENDIX A**  
**TIRZ #3 EXPENDITURES**

**Expenditure Details**

<b>Purpose</b>	<b>Amount</b>	<b>Financial Plan Group</b>
Professional fees - TIRZ Administration	7,100.00	Administration
Lakefront Seasonal Banners	9,501.75	Banners
Beach Sand for LE Beach	14,445.45	Beach Sand
LE Park Amphitheater CIP	600,000.00	LE Park Future Development
LE Beach Sound system speaker	19,365.83	LE Park Future Development
The Lawn at the Lakefront CIP	500,000.00	Park Improvements at Water Tower - The Lawn
LE Beach security for various events	39,236.01	Public Safety Services
Beach Wall wrap at LE Beach and Designs for social media props	12,688.70	Signage/Placemaking
Various Special Events	73,822.09	Special Events
Various Sponsorship	54,500.00	Sponsorship
Marketing Expenses	208,401.25	Website/Marketing
<b>TOTAL</b>	<b>1,539,061.08</b>	

## APPENDIX B TIRZ #3 MAP



### LITTLE ELM LAKEFRONT DISTRICT

Town of Little Elm  
Denton County, Texas  
Date: 9/25/2013

0 435 870 1,740 Feet



This map is the property of the Town of Little Elm, and is not to be reproduced for any means, electronic or digital, without written consent of the Town. This product is for informational purposes only and may not have been prepared for or be suitable for legal, engineering, or planning purposes. It is not to be used as a basis for any survey and represents only the approximate relative location of property boundaries.



**Date:** 02/20/2024  
**Agenda Item #:** 4. M.  
**Department:** Finance  
**Strategic Goal:** Maintain operational integrity and viability  
**Staff Contact:** Kelly Wilson, Chief Financial Officer

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**AGENDA ITEM:**

Consider Action to Accept the **Annual Financial Report for Tax Increment Reinvestment Zone #4 (TIRZ #4) for the reporting period ending September 30, 2023.**

**DESCRIPTION:**

State law, Section 311.016 of the Texas Tax Code requires the governing body of a municipality or county to submit a report on the state of the reinvestment zone created by the municipality to the chief executive officer of each taxing unit that levies property taxes on real property in the zone. A copy of this annual report must be submitted to the Texas Comptroller of Public Accounts on or before the 150th day following the end of its fiscal year. The intent of this report is to comply with state law as well as provide an overview and transparency of the financial condition of TIRZ #4.

**BUDGET IMPACT:**

There is no budget impact for this item.

**RECOMMENDED ACTION:**

TIRZ #4 Board recommends acceptance of the TIRZ #4 annual financial report for fiscal year reporting period 2023.

---

**Attachments**

TIRZ #4 Annual Financial Report FY 2023



# LITTLE ELM

**Tax Increment Reinvestment Zone #4  
(TIRZ #4)**

## **ANNUAL REPORT**

**FISCAL YEAR 2023**

**TOWN OF LITTLE ELM, TEXAS  
TAX INCREMENT REINVESTMENT ZONE #4**

**As of September 30, 2023**

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***IV. ANNUAL FINANCIALS***

***V. TIRZ FUND FINANCIAL STATEMENT***

**APPENDIX A – TIRZ MAPS**

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## ***I. YEAR END SUMMARY OF MEETINGS/TOWN COUNCIL/BOARD ACTIONS***

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In July 2014, the Town of Little Elm Town Council appointed members for the Tax Increment Reinvestment Zone #4 (“TIRZ #4”) Board of Directors. TIRZ #4 was created to identify and assist in financing various road improvements, water distribution system improvements, sanitary sewer collection system improvements, and storm sewer collection system improvements to benefit the property within TIRZ #4 and which are outlined in greater detail in Section II of this report.

Board members appointed and currently serving are: Town—Mayor Curtis Cornelious, Mayor Pro-Tem Jamell Johnson, and Councilmembers Tony Singh, Neil Blais, Lisa Norman, Andrew Evans, and Michel Hambrick.

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## ***II. PUBLIC INFRASTRUCTURE & PROJECT COSTS***

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### ***Estimated Project Costs***

<b>Project Description</b>	<b>TIRZ Funded Project Costs<sup>1</sup></b>	<b>Non-TIRZ Project Costs<sup>2</sup></b>	<b>Total</b>	<b>Status</b>
Road improvements	\$9,706,000	\$9,996,850	\$19,702,850	Substantially Complete
Water distribution system improvements	\$2,068,000	\$3,342,480	\$5,410,480	Substantially Complete
Sanitary sewer improvements	\$2,260,000	\$5,685,739	\$7,945,739	Substantially Complete
Storm drainage improvements	\$1,215,000	\$1,965,209	\$3,180,209	Substantially Complete
Other soft and miscellaneous costs	\$5,769,000	\$4,036,434	\$9,805,434	Substantially Complete
<b>Total Estimated Non-Project Costs</b>	<b>\$21,018,000</b>	<b>\$25,026,712</b>	<b>\$46,044,712</b>	

1 – As provided in the TIRZ #4 Project and Financing Plan.

2 – Estimated Non-TIRZ Project Costs are shown as provided in Section II of the 2023-24 Annual Service and Assessment Plan Update for Valencia PID No. 1 and Valencia PID No. 2, respectively. The estimated Non-TIRZ Project costs shown above reflect the total cost of all projects within TIRZ #4 (\$46,044,712) less the identified TIRZ Project Costs shown above.

### ***III. TIRZ EXPENDITURES – CAPITAL IMPROVEMENTS***

#### ***TIRZ Expenditures***

***As of Fiscal Year ending September 30, 2023***

<b>Expenditure</b>	<b>Period</b>	<b>Phase #1<sup>1,2</sup></b>	<b>Improvement Area #2<sup>1,2</sup></b>	<b>Major Improvement Area<sup>1,2</sup></b>	<b>Total</b>
Valencia PID Participation	FY2015	\$0	\$0	\$0	\$0
Valencia PID Participation	FY2016	\$0	\$0	\$11,167	\$11,167
Valencia PID Participation	FY2017	\$42,802	\$0	\$75	\$42,878
Valencia PID Participation	FY2018	\$81,799	\$16,999	\$10,161	\$108,959
Valencia PID Participation	FY2019	\$153,133	\$63,435	\$7,590	\$224,158
Valencia PID Participation	FY2020	\$198,198	\$202,285	\$10,751	\$411,234
Valencia PID Participation	FY2021	\$221,658	\$322,624	\$29,483	\$573,766
Valencia PID Participation	FY2022	\$235,921	\$389,005	\$71,420	\$696,346
Valencia PID Participation	FY2023	\$260,579	\$458,809	\$166,132	\$885,520
<b>Total</b>		<b>\$1,194,091</b>	<b>\$1,453,158</b>	<b>\$306,779</b>	<b>\$2,954,028</b>

1 – Represent various subphases of development within TIRZ #4.

2 – Represent approved Valencia PID participation amounts approved by Town Council annually in the respective Annual Service and Assessment Plan Updates. Amounts are derived from approximately 46% of the Town taxes collected as of the time the Annual Service and Assessment Plan Update was approved by Town Council.



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## IV. ANNUAL FINANCIALS

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Pursuant to State Law (Section 311.016, Tax Code), the following financial information is required and for the fiscal year ending September 30, 2023 (unless otherwise noted):

**1. Amount and source of revenue in the tax increment fund established for TIRZ #4:**

Tax Increments received	\$930,253
Interest income earned	\$26,483
Total Revenue	\$956,736

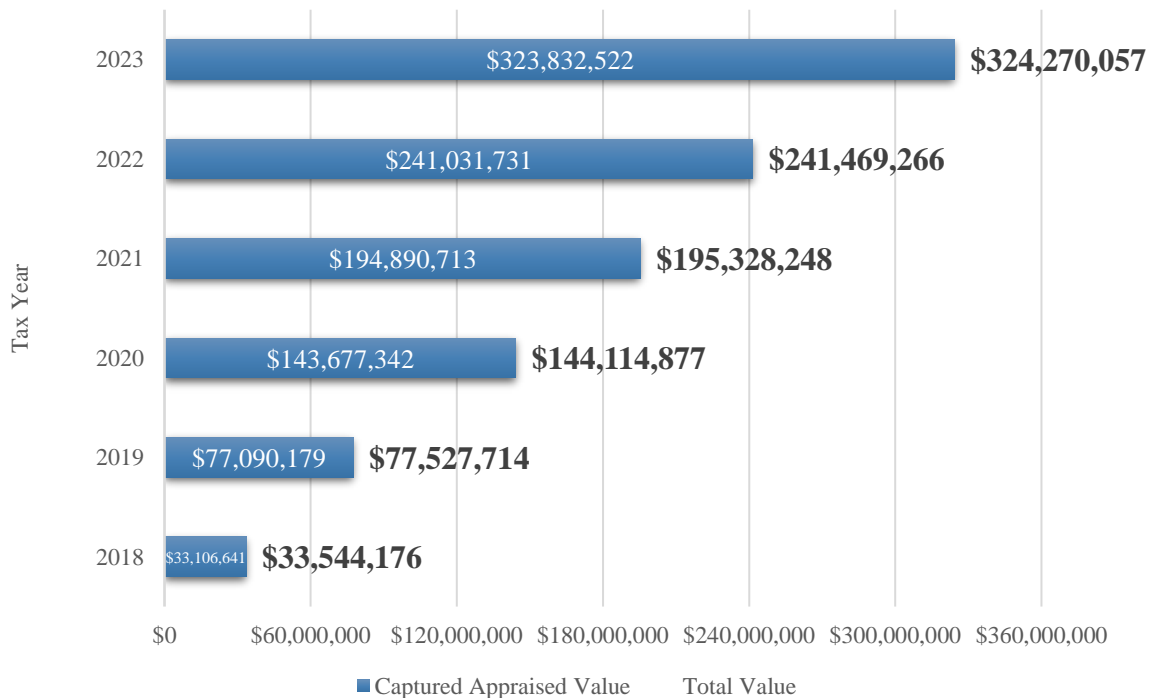
**2. Amount and purpose of expenditures from the tax increment fund established for TIRZ #4:**

PID Participation	\$885,520
Other	\$0
Total Expenditures	\$885,520

**3. Amount of principal and interest due on outstanding indebtedness:**

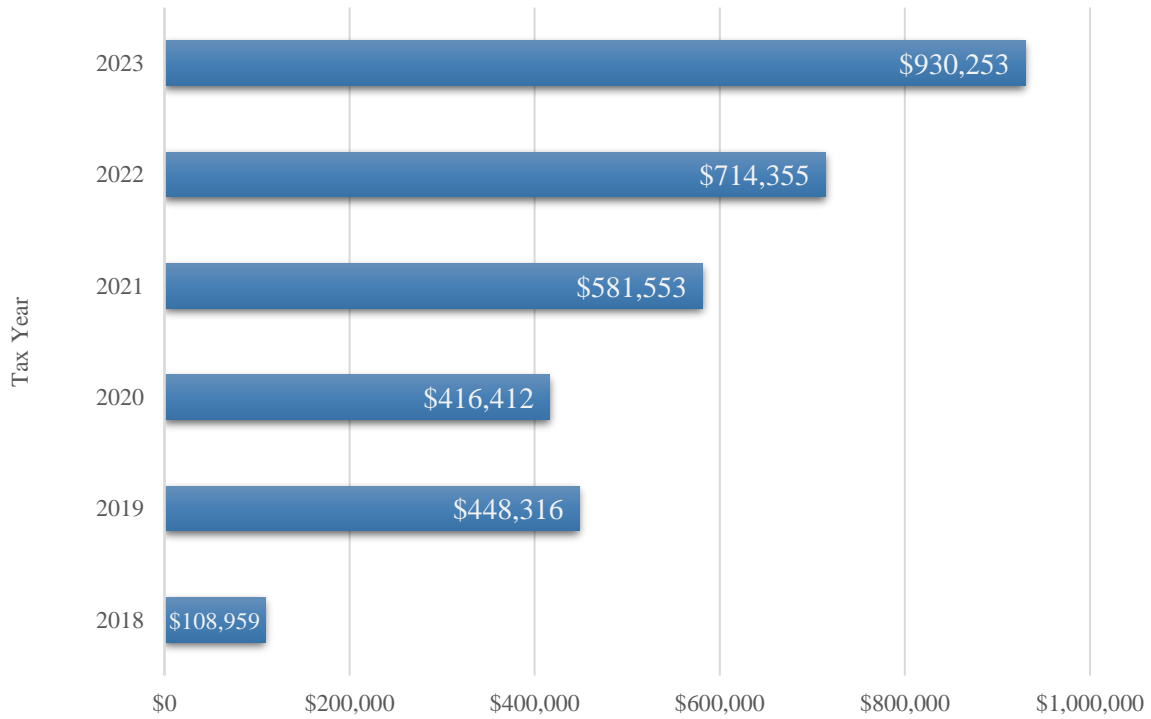
As of September 30, 2023, there is no bonded indebtedness for TIRZ #4. TIRZ projects were financed with proceeds of various bond issuances related to Valencia PID No.1.

**4. Tax Increment base and current captured appraised value retained by TIRZ #4<sup>1</sup>:**



1 – Town is only participating jurisdiction. Town participation is 46% of ad valorem property tax revenues generated from annual captured appraised values. Base year value for all years shown above is \$437,535.

**5. Total amount of the tax incremental revenue received, and any additional information necessary to demonstrate compliance with the tax increment project and financing plan adopted by the governing body of the municipality<sup>1</sup>**



1 – Town is only participating jurisdiction. Town participation is 46% of ad valorem property tax revenues generated from annual captured appraised values.

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## ***V. TIRZ FUND FINANCIAL STATEMENT***

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**TIRZ FUND FINANCIAL STATEMENT<sup>1</sup>**  
**As of Fiscal Year ending September 30, 2023**

		<b>Total</b>
<b>Beginning Balance:</b>		
	<i>10/1/2022</i>	\$ 43,176
<b>Revenues:</b>		
Property Tax:		
Town	\$	930,253
Delinquent	\$	-
County	\$	-
Property Rollback Taxes	\$	-
Sales Tax	\$	-
Interest	\$	26,483
<b>TOTAL REVENUES</b>	<b>\$</b>	<b>956,736</b>
<b>Expenditures:</b>		
Land Purchases	\$	-
Professional Services	\$	-
Economic Development Grants	\$	-
PID Participation	\$	885,521
Construction/Improvements	\$	-
Interest Expense	\$	-
<b>TOTAL EXPENDITURES</b>	<b>\$</b>	<b>885,521</b>
<b>Ending Balance:</b>		
	<i>9/30/2023</i>	<b>\$ 114,391</b>

1 – The TIRZ obligation for a given year represents the TIRZ credits required to offset the respective Valencia PID Assessments. Pursuant to Chapter 311.014(d), any remaining balance in the TIRZ #4 fund can be transferred to the Town's general fund after all eligible TIRZ obligations have been paid.

# APPENDIX A TIRZ MAPS

EXHIBIT D  
CONCEPT PLAN

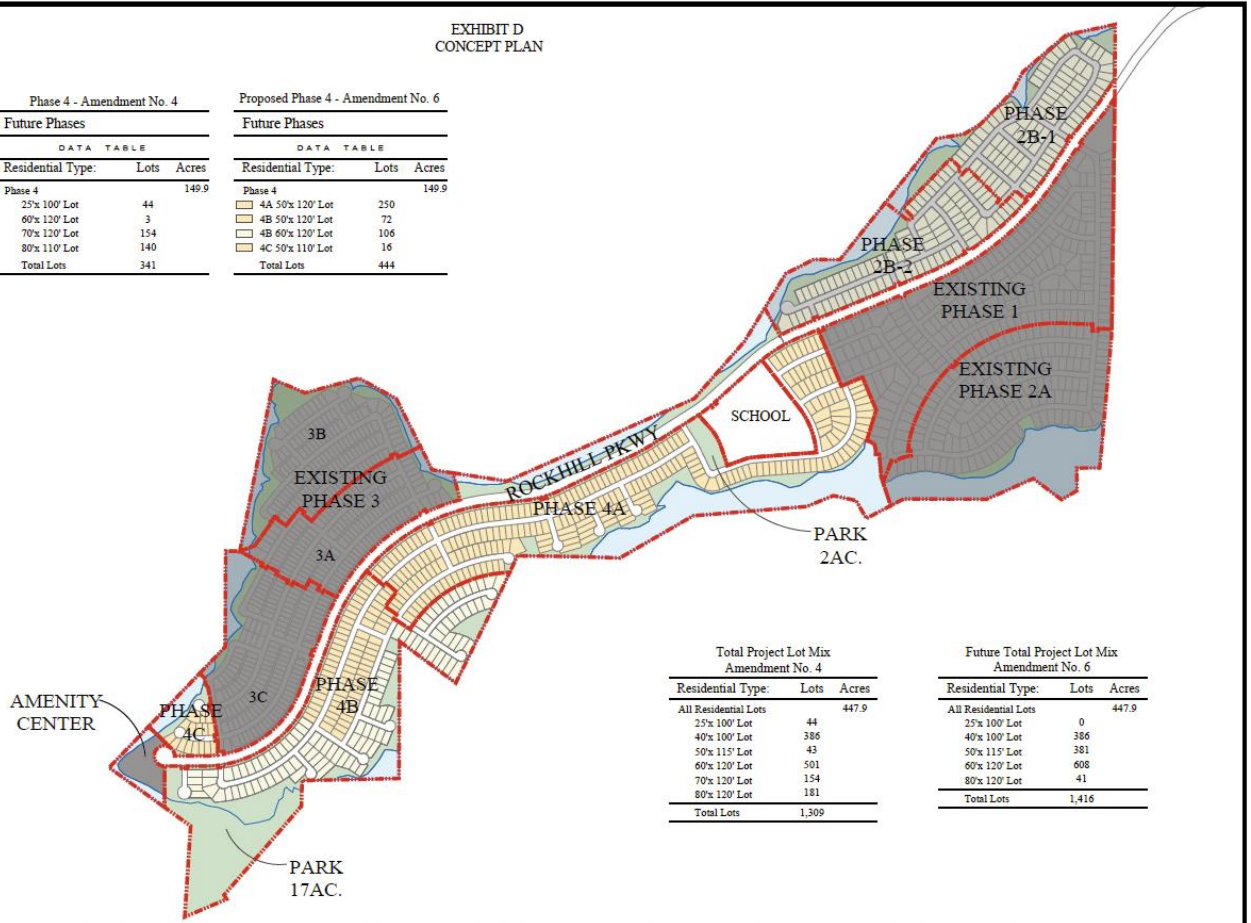
Existing Phases		
DATA TABLE		
Residential Type:	Lots	Acres
Phase 1		62.4
60'x 120' Lot	169	
80'x 135' Lot	41	
Total Lots	210	
Phase 2A		51.9
60'x 120' Lot	154	
Total Lots	154	
Phase 3		80.7
3A 40'x 100' Lot	126	24.2
3A 50'x 115' Lot	14	
3B 40'x 100' Lot	118	28.5
3B 50'x 115' Lot	21	
3C 40'x 100' Lot	142	28.0
3C 50'x 115' Lot	8	
Total Lots	429	

Phase 2B - Amendment No. 4		
Approved Phases		
DATA TABLE		
Residential Type:	Lots	Acres
Phase 2B		57.7
2B 60'x 120' Lot	175	
Total Lots	175	

Proposed Phase 2B - Amendment No. 6		
Approved Phases		
DATA TABLE		
Residential Type:	Lots	Acres
Phase 2B		57.7
2B-1 60'x 120' Lot	89	28.8
2B-2 60'x 120' Lot	90	28.9
Total Lots	179	

Phase 4 - Amendment No. 4		
Future Phases		
DATA TABLE		
Residential Type:	Lots	Acres
Phase 4		149.9
25'x 100' Lot	44	
60'x 120' Lot	3	
70'x 120' Lot	154	
80'x 110' Lot	140	
Total Lots	341	

Proposed Phase 4 - Amendment No. 6		
Future Phases		
DATA TABLE		
Residential Type:	Lots	Acres
Phase 4		149.9
4A 50'x 120' Lot	250	
4B 50'x 120' Lot	72	
4B 60'x 120' Lot	106	
4C 50'x 110' Lot	16	
Total Lots	444	



Total Project Lot Mix Amendment No. 4		
Residential Type:	Lots	Acres
All Residential Lots		447.9
25'x 100' Lot	44	
40'x 100' Lot	386	
50'x 115' Lot	43	
60'x 120' Lot	501	
70'x 120' Lot	154	
80'x 120' Lot	181	
Total Lots	1,309	

Future Total Project Lot Mix Amendment No. 6		
Residential Type:	Lots	Acres
All Residential Lots		447.9
25'x 100' Lot	0	
40'x 100' Lot	386	
50'x 115' Lot	381	
60'x 120' Lot	608	
80'x 120' Lot	41	
Total Lots	1,416	



**Date:** 02/20/2024  
**Agenda Item #:** 4. N.  
**Department:** Finance  
**Strategic Goal:** Maintain operational integrity and viability  
**Staff Contact:** Kelly Wilson, Chief Financial Officer

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**AGENDA ITEM:**

Consider Action to Approve the **Transfer of the Remaining Balance in TIRZ #4 to the Town's General Fund.**

**DESCRIPTION:**

Each year, TIRZ #4 is obligated to transfer property tax collections received to the Valencia PID that participates in this reinvestment zone. This is reflected in the annual Service Assessment Plan that approves certain project expenditures and establishes the PID assessment. The PID obligations from TIRZ #4 is reflected as a TIRZ credit in each area and parcel in Valencia PID. See below an excerpt from the 2023-2024 Service Assessment Plan approved by the TIRZ Board and Council on August 15, 2023.

**TIRZ Four Credit Total per Area**

Area	2023-2024 TIRZ Credit
Phase One	\$260,578.72
Major Improvement Area	\$166,132.27
Phase Two	\$458,809.04
<b>Total</b>	<b>\$885,520.03</b>

Pursuant to Chapter 311.014(d), any remaining balance in the TIRZ #4 fund can be transferred to the Town's General Fund after all eligible TIRZ obligations have been paid. At the end of fiscal year 2023, the balance remaining in TIRZ #4 is \$114,391. This amounts comes from the prior year's balance in addition to the activity from FY2023. Staff is requesting these funds be transferred to the Town's General Fund.

**BUDGET IMPACT:**

The transfer will allow the balance to be utilized in the General Fund for government services.

**RECOMMENDED ACTION:**

TIRZ #4 Board recommends approval to transfer the balance of \$114,391 in TIRZ #4 to the Town's General Fund.

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**Date:** 02/20/2024  
**Agenda Item #:** 4. O.  
**Department:** Finance  
**Strategic Goal:** Maintain operational integrity and viability  
**Staff Contact:** Kelly Wilson, Chief Financial Officer

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**AGENDA ITEM:**

Consider Action to Accept the **Annual Financial Report for Tax Increment Reinvestment Zone #5 (TIRZ #5) for the reporting period ending September 30, 2023.**

**DESCRIPTION:**

State law, Section 311.016 of the Texas Tax Code requires the governing body of a municipality or county to submit a report on the state of the reinvestment zone created by the municipality to the chief executive officer of each taxing unit that levies property taxes on real property in the zone. A copy of this annual report must be submitted to the Texas Comptroller of Public Accounts on or before the 150th day following the end of its fiscal year. The intent of this report is to comply with state law as well as provide an overview and transparency of the financial condition of TIRZ #5.

**BUDGET IMPACT:**

There is no budget impact for this item.

**RECOMMENDED ACTION:**

TIRZ #5 Board recommends acceptance of the TIRZ #5 annual financial report for fiscal year reporting period 2023.

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**Attachments**

TIRZ #5 Annual Financial Report FY 2023  
TIRZ #5 map



**LITTLE ELM**

**Tax Increment Reinvestment Zone #5  
(TIRZ #5)**

**ANNUAL REPORT**

**FISCAL YEAR 2023**



**TOWN OF LITTLE ELM, TEXAS  
TAX INCREMENT REINVESTMENT ZONE #5**

**As of September 30, 2023**

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***IV. ANNUAL FINANCIALS***

***V. TAXABLE VALUE HISTORY***

***VI. TIRZ FUND FINANCIAL STATEMENT***

**APPENDIX A – TIRZ MAPS**

**APPENDIX B – NON-PROJECT COSTS**

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## ***I. YEAR END SUMMARY OF MEETINGS/TOWN COUNCIL/BOARD ACTIONS***

---

In 2014, the Town of Little Elm Town Council appointed members for the Tax Increment Reinvestment Zone #5 (“TIRZ #5”) Board of Directors. TIRZ #5 was created to identify and assist in financing various road improvements, water distribution system improvements, sanitary sewer collection system improvements, storm sewer collection system improvements, parks and trail improvements, public utilities purchase, and economic development grants to benefit the property within TIRZ #5 and which are outlined in greater detail in Section II of this report.

Board members appointed and currently serving are: Town—Mayor Curtis Cornelious, Mayor Pro-Tem Jamell Johnson, and Councilmembers Tony Singh, Neil Blais, Lisa Norman, Andrew Evans, and Michel Hambrick.

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## ***II. PUBLIC INFRASTRUCTURE & PROJECT COSTS***

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**TIRZ #5**  
**Estimated Project Costs<sup>1</sup>**

		<b>Status</b>
Roadway Improvements, Water Distribution System Improvements, Sanitary Sewer management Improvements, Storm Water Management Improvements, Parks, Trails, landscaping and hardscaping, Public Utilities Purchase, Economic Development Grants (including applicable interest and other soft and miscellaneous costs)	\$184,000,000	Ongoing and are anticipated to be completed with the completion of the Spiritas Ranch and Spiritas East developments
<b>Total</b>	<b>\$184,000,000</b>	

1 – As provided in the Amended Project and Financing Plan approved on May 4, 2021 by the Town.

**TIRZ #5**  
**Estimated Non-Project Costs**

For additional details regarding the TIRZ #5 estimated Non-Project Costs, please refer to Appendix B of this report.

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### ***III. TIRZ EXPENDITURES – CAPITAL IMPROVEMENTS***

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***TIRZ #5  
TIRZ Expenditures***

***As of Fiscal Year ending September 30, 2023***

<b>Expenditure</b>	<b>Period<sup>1</sup></b>	<b>Total<sup>2,3</sup></b>
Repayment of TIRZ Bonds	FY2022	\$692,232
Repayment of TIRZ Bonds	FY2023	\$1,024,456
<b>Total</b>		<b>\$1,716,688</b>

1 – Represents applicable periods of expenditures since issuance of TIRZ bonds and the amendment of the TIRZ #5 Project and Financing Plan.

2 – Represent 50% of the incremental Town taxes levied and collected. Amounts collected are according to the Denton County Tax Office records as of September 30, 2023.

3 – Amounts collected do not include applicable administrative expenses withheld by the Town for TIRZ #5.

***TIRZ #5  
Outstanding TIRZ Projects Obligations***

<b>TIRZ Projects Obligation</b>	<b>Period</b>	<b>Total<sup>1</sup></b>
<b>\$184,000,000</b>		
	FY2022	\$692,232
	FY2023	\$1,024,456
<b>Outstanding Obligation</b>		<b>\$182,283,312</b>

1 – As of September 30, 2023.

## IV. ANNUAL FINANCIALS

Pursuant to State Law (Section 311.016, Tax Code), the following financial information is required for the fiscal year ending September 30, 2023 (unless otherwise noted):

### 1. Amount and source of revenue in the tax increment fund established for TIRZ #5:

Tax Increments received	\$1,062,466
Interest income earned	(\$1,117)
Total Revenue	\$1,061,349

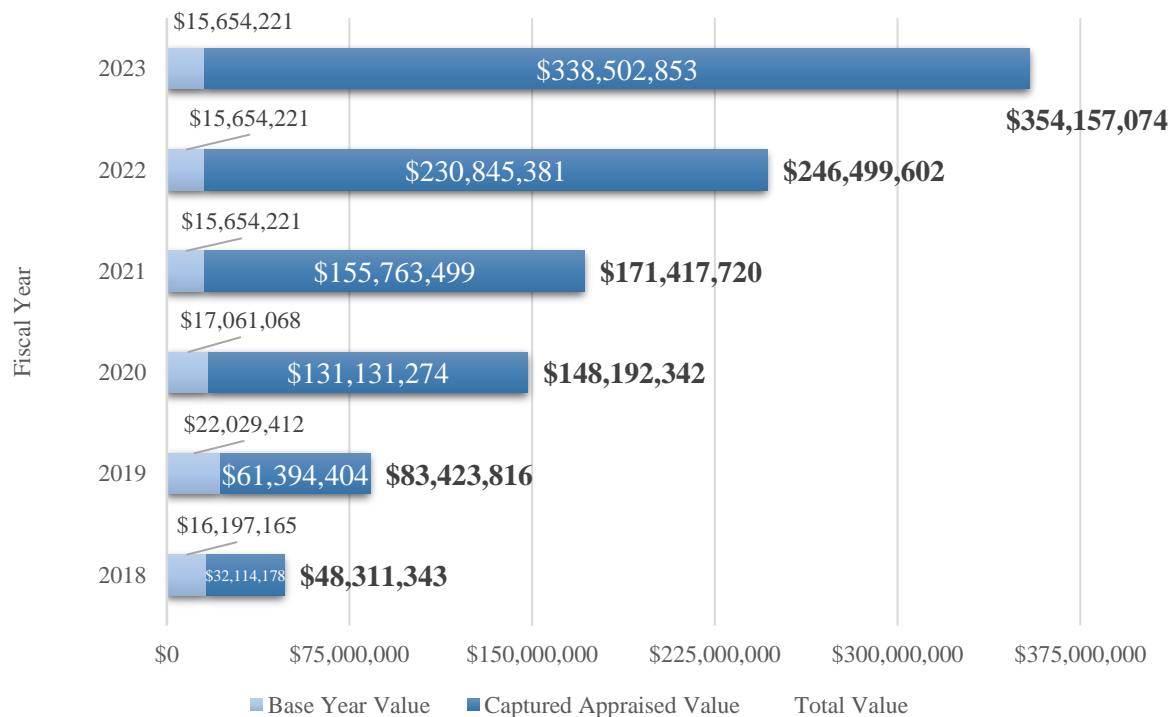
### 2. Amount and purpose of expenditures from the tax increment fund established for TIRZ #5:

Repayment of TIRZ Bonds	\$1,024,456
Professional Services	\$50,000
Total Expenditures	\$1,074,456

### 3. Amount of principal and interest due on outstanding indebtedness:

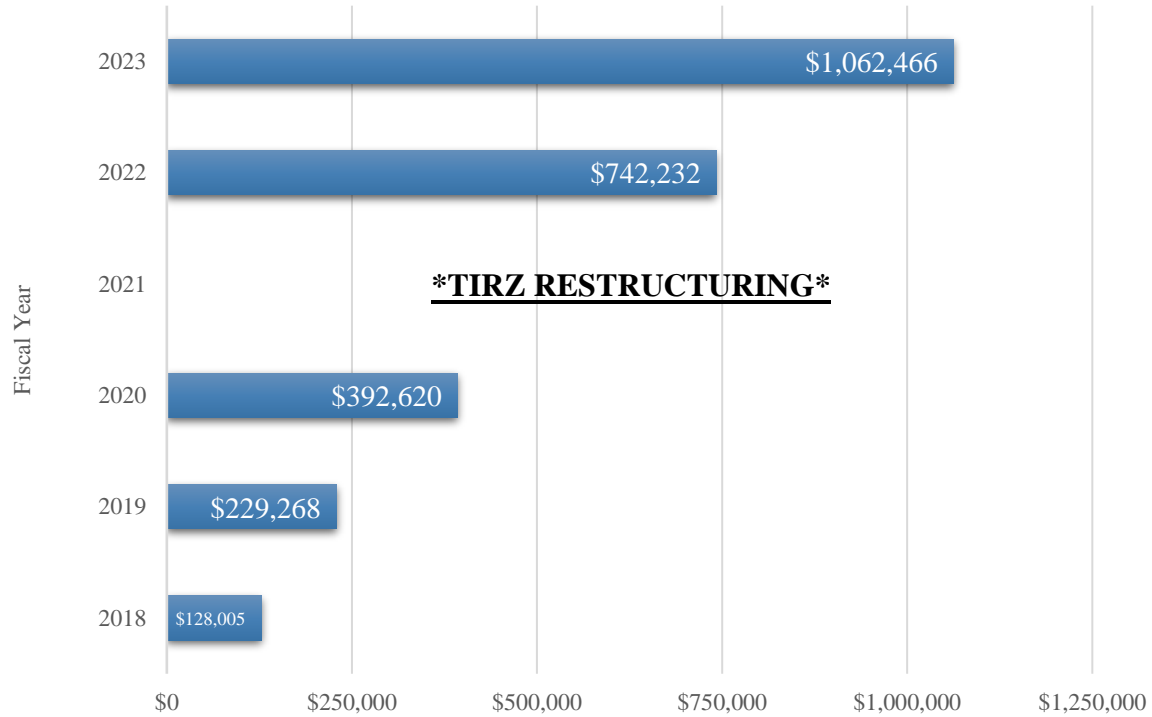
The total TIRZ commitment is \$184,000,000 less amounts paid through September 30, 2023 of \$1,709,810 resulting in a current outstanding indebtedness of \$182,290,190.

### 4. Tax Increment base and current captured appraised value retained by TIRZ #5<sup>1</sup>:



1 – TIRZ #5 was restructured in 2021. Prior to restructuring, the Town committed 46% of incremental ad valorem property taxes and 50% of sales tax generated within the TIRZ. The current TIRZ structure eliminated the sales tax commitment and adjusted the Town's participation of incremental ad valorem property taxes to 50%.

5. Total amount of the tax incremental revenue received, and any additional information necessary to demonstrate compliance with the tax increment project and financing plan adopted by the governing body of the municipality<sup>1</sup>



1 – Due to the restructuring of TIRZ #5 in fiscal year 2021, the Town was permitted to sweep any remaining balance at the conclusion of fiscal year 2021. Commencing in fiscal year 2022, the Town began collecting and calculating incremental revenues pursuant to the terms of the TIRZ #5 restructuring.

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## ***V. TIRZ FUND FINANCIAL STATEMENT***

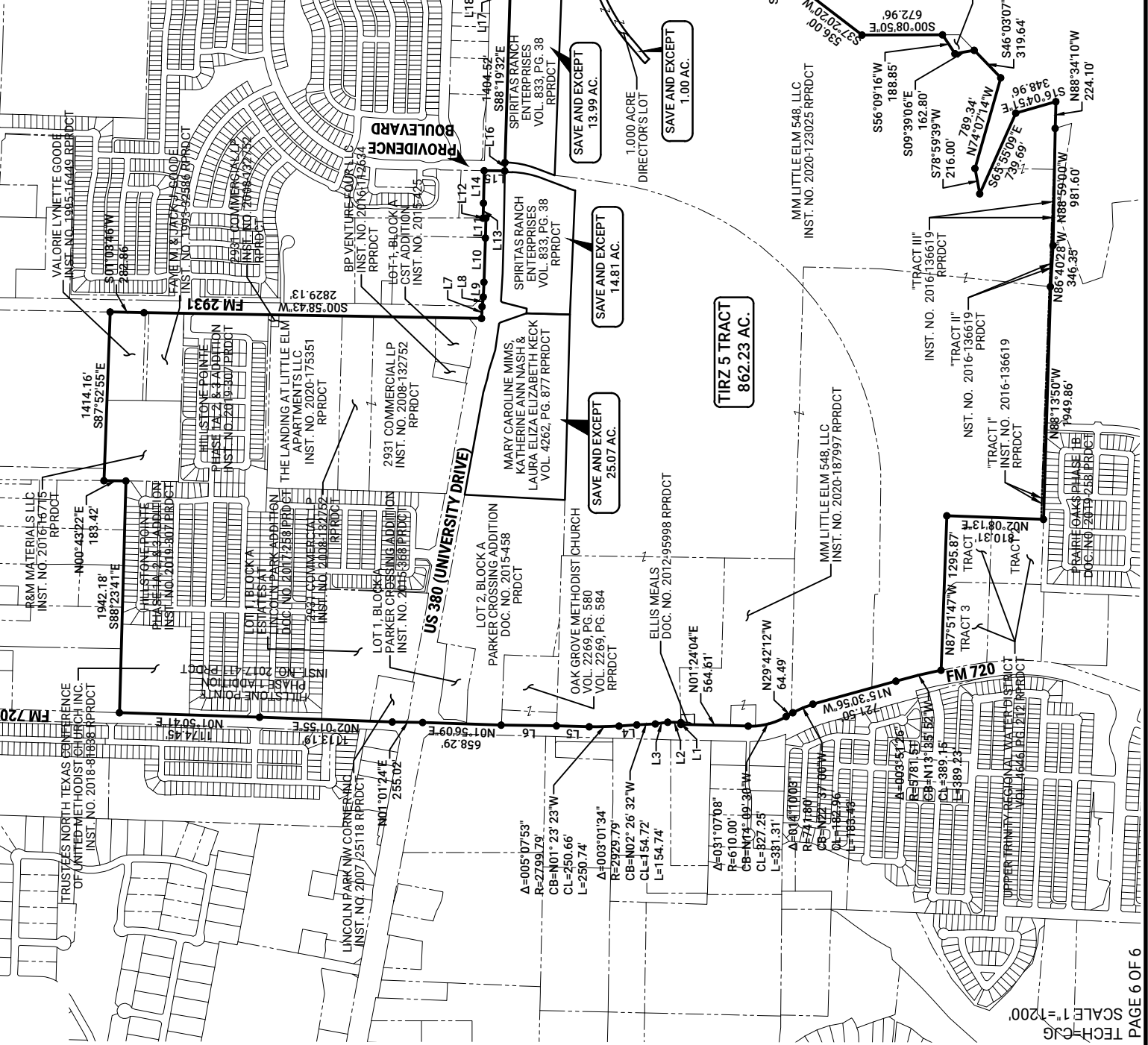
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### **TIRZ FUND FINANCIAL STATEMENT** **As of Fiscal Year ending September 30, 2023**

		<b>Total</b>
<b>Beginning Balance:</b>		
	10/1/2022	\$ -
<b>Revenues:</b>		
Property Tax:		
Town	\$	1,062,466
Delinquent		
County	\$	-
Property Rollback Taxes	\$	-
Sales Tax	\$	-
Interest	\$	(1,117)
<b>TOTAL REVENUES</b>	\$	1,061,349
<b>Expenditures:</b>		
Land Purchases	\$	-
Professional Services	\$	50,000
Economic Development Grant	\$	-
TIRZ Bonds	\$	1,024,456
Construction/Improvements	\$	-
Interest Expense	\$	-
<b>TOTAL EXPENDITURES</b>	\$	1,074,456
<b>Ending Balance:</b>		
	9/30/2023	\$ (13,108)

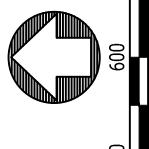
1 – Ending fiscal year 2023 balance reflects excess funds transferred to the TIRZ #5 bond trustee. The Town is working with the trustee to correct the balance with future transfers.

LINE TABLE			LINE TABLE		
LINE #	BEARING	DISTANCE	LINE #	BEARING	DISTANCE
L11	S88°08'45"E	166.45'	L1	N88°35'14"E	14.96'
L12	N00°00'00"E	24.13'	L2	N01°25'09"E	109.00'
L13	S88°47'40"E	126.10'	L3	N08°03'14"W	105.97'
L14	S88°40'05"E	272.38'	L4	N03°57'19"W	149.61'
L15	S00°56'56"W	173.10'	L5	N01°36'16"E	273.49'
L16	S88°18'55"E	71.25'	L6	N00°43'58"E	462.84'
L17	S87°55'29"E	34.49'	L7	S87°26'29"E	99.35'
L18	N85°31'36"E	176.89'	L8	S84°05'13"E	81.16'
L19	S88°15'31"E	241.46'	L9	S87°14'59"E	124.66'
			L10	S88°08'42"E	369.49'



**TIRZ 5 EXHIBIT**  
**862.23 ACRE TRACT**  
SITUATED IN THE  
TOWN AND ETJ OF LITTLE ELM  
DENTON COUNTY, TEXAS

**BARRAZA**  
CONSULTING GROUP, LLC  
TBPLS FIRM REG. NO. 10194538  
TBPE FIRM REG. NO. 20683  
801 East Campbell Road, Ste. 650  
Richardson, Texas 75081  
TELEPHONE - (214)-484-7055  
PROJECT NO. 2019017  
DATE March 2021







**Date:** 02/20/2024  
**Agenda Item #:** 4. P.  
**Department:** Finance  
**Strategic Goal:** Maintain operational integrity and viability  
**Staff Contact:** Kelly Wilson, Chief Financial Officer

---

**AGENDA ITEM:**

Consider Action to Accept the **Annual Financial Report for Tax Increment Reinvestment Zone #6 (TIRZ #6) for the reporting period ending September 30, 2023.**

**DESCRIPTION:**

State law, Section 311.016 of the Texas Tax Code requires the governing body of a municipality or county to submit a report on the state of the reinvestment zone created by the municipality to the chief executive officer of each taxing unit that levies property taxes on real property in the zone. A copy of this annual report must be submitted to the Texas Comptroller of Public Accounts on or before the 150th day following the end of its fiscal year. The intent of this report is to comply with state law as well as provide an overview and transparency of the financial condition of TIRZ #6.

**BUDGET IMPACT:**

There is no budget impact for this item.

**RECOMMENDED ACTION:**

TIRZ #6 Board recommends acceptance of the TIRZ #6 annual financial report for fiscal year reporting period 2023.

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**Attachments**

TIRZ #6 Annual Financial Report FY 2023  
TIRZ #6 map



# LITTLE ELM

**Tax Increment Reinvestment Zone #6  
(TIRZ #6)**

## **ANNUAL REPORT**

**FISCAL YEAR 2023**

**TOWN OF LITTLE ELM, TEXAS  
TAX INCREMENT REINVESTMENT ZONE #6**

**As of September 30, 2023**

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***V. TIRZ FUND FINANCIAL STATEMENT***

**APPENDIX A – TIRZ MAPS**

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## ***I. YEAR END SUMMARY OF MEETINGS/TOWN COUNCIL/BOARD ACTIONS***

---

In November 2016, the Town of Little Elm Town Council appointed members for the Tax Increment Reinvestment Zone #6 (“TIRZ #6”) Board of Directors. TIRZ #6 was created to identify and assist in financing various road improvements, water distribution system improvements, sanitary sewer collection system improvements, and storm sewer collection system improvements to benefit the property within TIRZ #6 and which are outlined in greater detail in Section II of this report.

Board members appointed and currently serving are: Town—Mayor Curtis Cornelious, Mayor Pro-Tem Jamell Johnson, and Councilmembers Tony Singh, Neil Blais, Lisa Norman, Andrew Evans, and Michel Hambrick.

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## ***II. PUBLIC INFRASTRUCTURE & PROJECT COSTS***

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### ***Estimated Project Costs***

<b>Project Description</b>	<b>TIRZ Funded Project Costs</b>	<b>Non-TIRZ Project Costs</b>	<b>Total</b>	<b>Status</b>
Road improvements	\$3,354,728	\$4,351,483	\$7,706,211	Substantially Complete
Water distribution system improvements	\$1,162,113	\$673,280	\$1,835,393	Substantially Complete
Sanitary sewer improvements	\$1,623,580	\$1,931,897	\$3,555,477	Substantially Complete
Storm drainage improvements	\$1,084,459	\$1,108,974	\$2,193,433	Substantially Complete
Other soft and miscellaneous costs	\$1,462,222	\$1,196,250	\$2,658,472	Substantially Complete
<b>Total Estimated Non-Project Costs</b>	<b>\$8,687,102</b>	<b>\$9,261,884</b>	<b>\$17,948,986</b>	

1 – As provided in the TIRZ #6 Project and Financing Plan.

2 – Estimated Non-TIRZ Project Costs are shown as provided in Section II of the 2023-24 Rudman Tract PID Annual Service and Assessment Plan Update for the Phase #2 Direct Improvement costs.

---

### ***III. TIRZ EXPENDITURES – CAPITAL IMPROVEMENTS***

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#### ***TIRZ Expenditures***

***As of Fiscal Year ending September 30, 2023***

<b>Expenditure</b>	<b>Period</b>	<b>Phase #1</b>	<b>Major Improvement Area</b>	<b>Total</b>
Rudman Tract PID Participation	FY2017	\$0	\$0	\$0
Rudman Tract PID Participation	FY2018	\$3,336	\$18	\$3,354
Rudman Tract PID Participation	FY2019	\$3,297	\$3,043	\$6,340
Rudman Tract PID Participation	FY2020	\$21,217	\$3,090	\$24,307
Rudman Tract PID Participation	FY2021	\$43,626	\$3,177	\$46,804
Rudman Tract PID Participation	FY2022	\$79,561	\$4,755	\$84,315
Rudman Tract PID Participation	FY2023	\$156,874	\$4,733	\$161,607
<b>Total</b>		<b>\$307,911</b>	<b>\$18,816</b>	<b>\$326,728</b>

1 – Represent various subphases of development within TIRZ #6.

2 – Represent approved Rudman Tract PID participation amounts approved by Town Council annually in the respective Annual Service and Assessment Plan Updates. Amounts are derived from approximately 30% of the Town taxes collected as of the time the Annual Service and Assessment Plan Update was approved by Town Council.

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## IV. ANNUAL FINANCIALS

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Pursuant to State Law (Section 311.016, Tax Code), the following financial information is required for the fiscal year ending September 30, 2023 (unless otherwise noted):

**1. Amount and source of revenue in the tax increment fund established for TIRZ #6:**

Tax Increments received	\$164,058
Interest income earned	\$4,511
Total Revenue	\$168,568

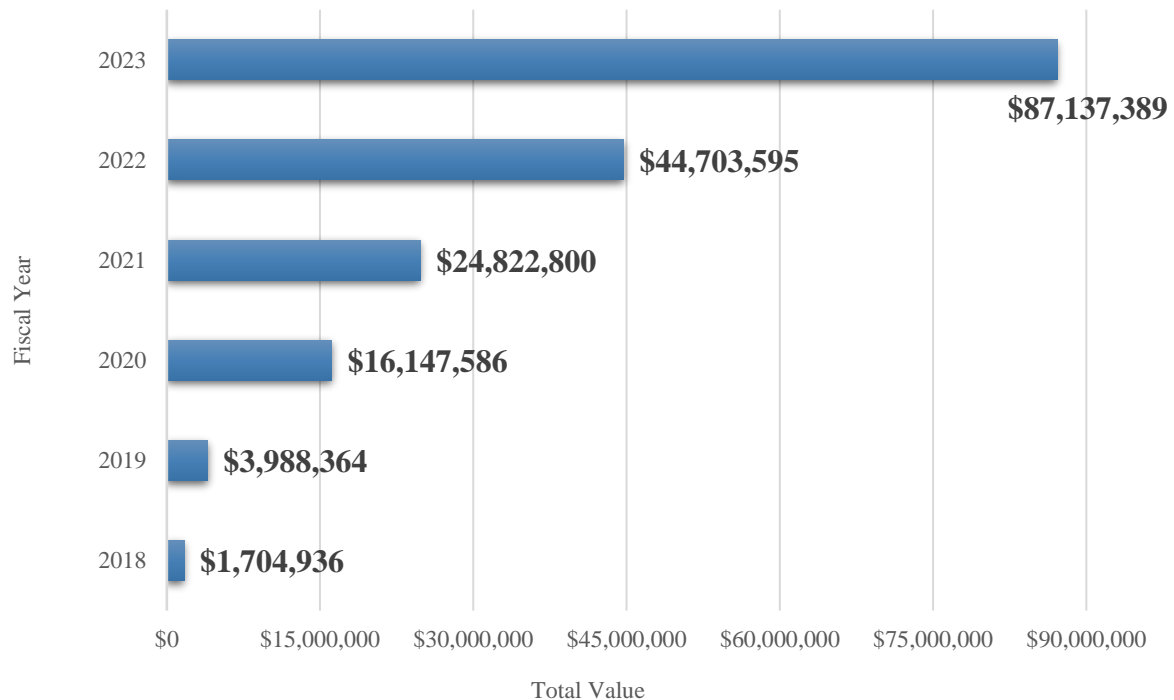
**2. Amount and purpose of expenditures from the tax increment fund established for TIRZ #6:**

PID Participation	\$161,607
Other	\$0
Total Expenditures	\$161,607

**3. Amount of principal and interest due on outstanding indebtedness:**

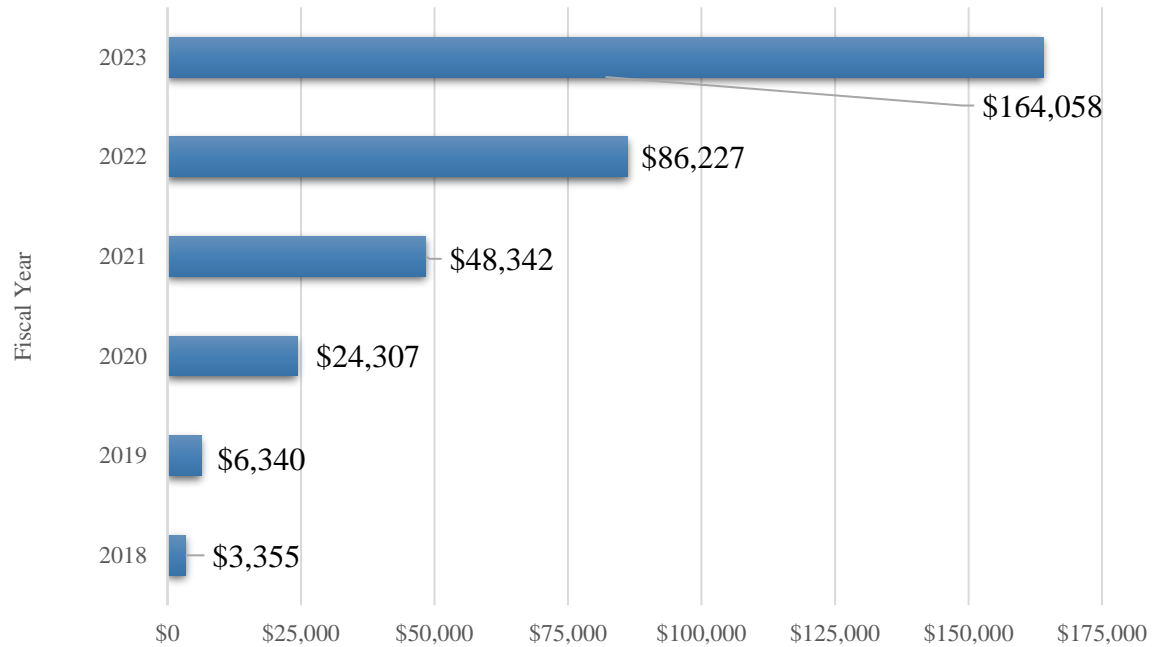
As of September 30, 2023, there is no bonded indebtedness for TIRZ #6. TIRZ projects were financed with proceeds of the Rudman Tract PID-related bonds issued in 2017.

**4. Tax Increment base and current captured appraised value retained by TIRZ #6:**



1 – Town is only participating jurisdiction. Town participation is 30% of ad valorem property tax revenues generated from annual captured appraised values. Base year value for all years shown above is \$20,669.

**5. Total amount of the tax incremental revenue received, and any additional information necessary to demonstrate compliance with the tax increment project and financing plan adopted by the governing body of the municipality<sup>1</sup>**



1 – Town is only participating jurisdiction. Town participation is 30% of ad valorem property tax revenues generated from annual captured appraised values.



---

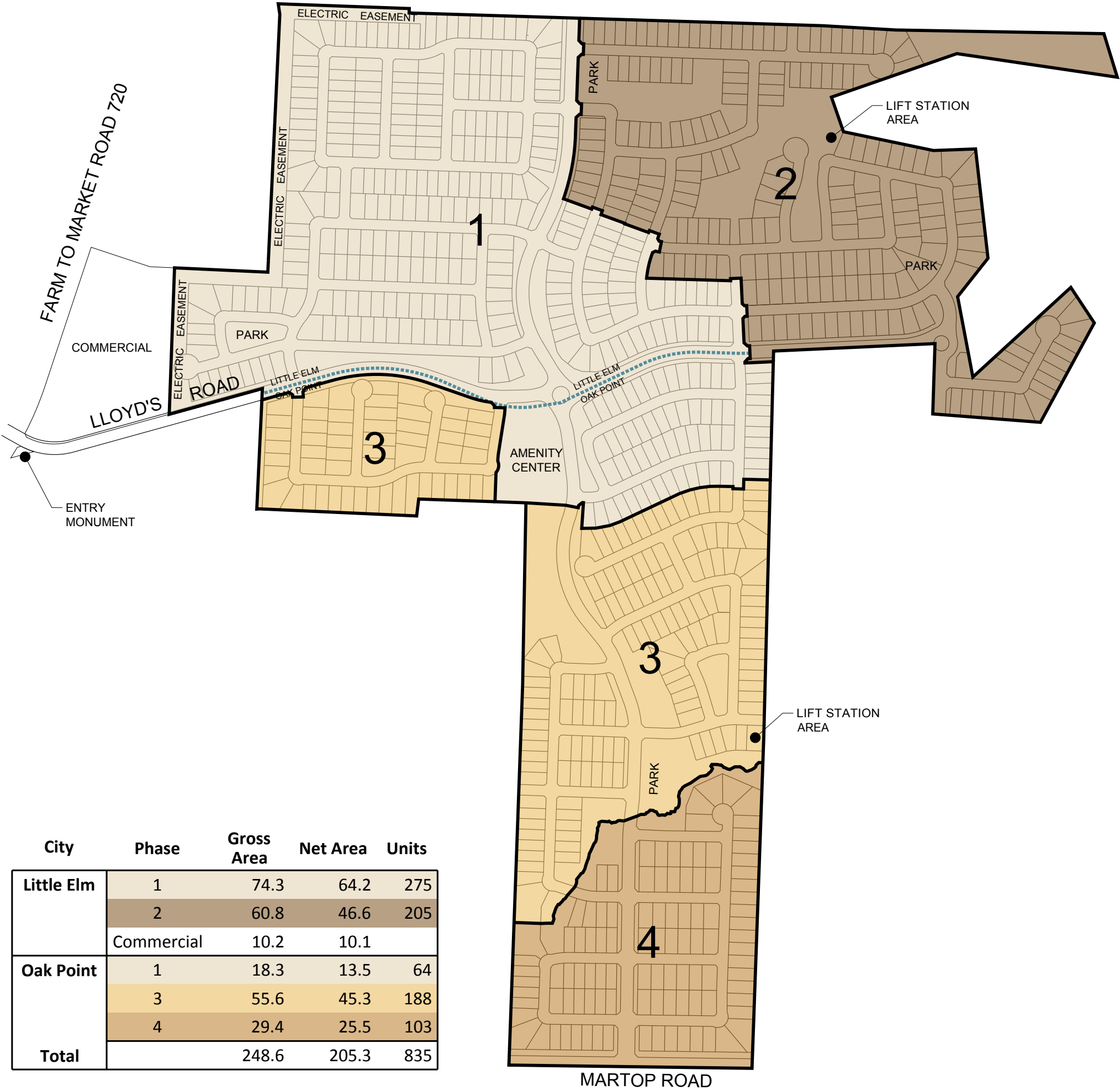
## ***V. TIRZ FUND FINANCIAL STATEMENT***

---

### **TIRZ FUND FINANCIAL STATEMENT<sup>1</sup>** **As of Fiscal Year ending September 30, 2023**

		<b>Total</b>
<b>Beginning Balance:</b>		
	10/1/2022	\$ 4,333
<b>Revenues:</b>		
Property Tax:		
Town	\$	164,058
Delinquent	\$	-
County	\$	-
Property Rollback Taxes	\$	-
Sales Tax	\$	-
Interest	\$	4,511
<b>TOTAL REVENUES</b>	\$	168,568
<b>Expenditures:</b>		
Land Purchases	\$	-
Professional Services	\$	-
Economic Development Grant	\$	-
PID Participation	\$	161,607
Construction/Improvements	\$	-
Interest Expense	\$	-
<b>TOTAL EXPENDITURES</b>	\$	161,607
<b>Ending Balance:</b>		
	9/30/2023	\$ <b>11,295</b>

1 – The TIRZ obligation for a given year represents the TIRZ credits required to offset the respective Rudman Tract PID Assessments. Pursuant to Chapter 311.014(d), any remaining balance in the TIRZ #6 fund can be transferred to the Town's general fund after all eligible TIRZ obligations have been paid.



City	Phase	Gross Area	Net Area	Units
Little Elm	1	74.3	64.2	275
	2	60.8	46.6	205
	Commercial	10.2	10.1	
Oak Point	1	18.3	13.5	64
	3	55.6	45.3	188
	4	29.4	25.5	103
Total		248.6	205.3	835

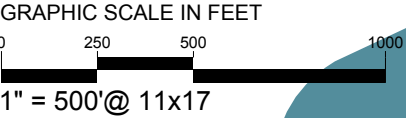
\*Phase 1 Areas include offsite Lloyd Road improvements  
 \*\*Net Area is net of Open Spaces, Electric Easement, Amenity Center, Parks & Areas not to be developed

Phase	Little Elm		Oak Point		Phase
	50' Lot	60' Lot	50' Lot	60' Lot	Total
1	186	89	64		339
2	124	81			205
3			133	55	188
4			38	65	103
Total	310	170	235	120	835

PHASE MAP

Rudman  
NORTH

City of Oak Point & Town of Little Elm, Texas  
January 2017



Kimley»Horn

5750 Genesis Court  
 Suite 200  
 Frisco, Texas 75034  
 972-335-3580  
 State of Texas Registration No. F-928



**Date:** 02/20/2024  
**Agenda Item #:** 4. Q.  
**Department:** Finance  
**Strategic Goal:** Maintain operational integrity and viability  
**Staff Contact:** Kelly Wilson, Chief Financial Officer

---

**AGENDA ITEM:**

Consider Action to Approve the **Transfer of the Remaining Fund Balance in TIRZ #6 to the Town's General Fund.**

**DESCRIPTION:**

Each year, TIRZ #6 is obligated to transfer property tax collections received to the Rudman Tract PID that participates in this reinvestment zone. This is reflected in the annual Service Assessment Plan that approves certain project expenditures and establishes the PID assessment. The PID obligations from TIRZ #6 is reflected as a TIRZ credit in each area and parcel in Rudman Tract PID. See below an excerpt from the 2023-2024 Service Assessment Plan approved by the TIRZ Board and Council on August 15, 2023.

**TIRZ Six Credit Total per Area**

Area	2023-2024 TIRZ Credit
Phase One	\$156,874.03
Major Improvement	\$4,733.17
<b>Total</b>	<b>\$161,607.20</b>

Pursuant to Chapter 311.014(d), any remaining balance in the TIRZ #6 fund can be transferred to the Town's General Fund after all eligible TIRZ obligations have been paid. **At the end of fiscal year 2023, the balance remaining in TIRZ #6 is \$11,295.** This amounts comes from prior year's balance in addition to the activity from FY2023. Staff is requesting these funds be transferred to the Town's General Fund.

**BUDGET IMPACT:**

This transfer will allow the balance to be utilized in the General Fund for government services.

**RECOMMENDED ACTION:**

TIRZ #6 Board recommends approval to transfer the balance of \$11,295 in TIRZ #6 to the Town's General Fund.

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**Date:** 02/20/2024  
**Agenda Item #:** 5. A.  
**Department:** Economic Development Corporation  
**Strategic Goal:** Promote and expand Little Elm's identity  
**Staff Contact:** Jennette Espinosa, EDC Executive Director

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**AGENDA ITEM:**

Hold a Public Hearing, Present, Discuss and Consider Action on **Ordinance No. 1750, Accepting and Approving an Updated Service and Assessment Plan and Assessment Roll – Additional Authorized Improvements for the Spiritas East Public Improvement District (PID).**

**Open Public Hearing:**

**Receive Public Comments:**

**Close Public Hearing:**

**Take Action on Ordinance No. 1750**

**DESCRIPTION:**

The PID is located within the Town and contains approximately 38 acres of land and is projected to consist of 146 single-family residential units, to be developed as a singular development phase.

The Additional Authorized Improvements benefit the entire PID. The costs of the Additional Authorized Improvements are allocated proportionally throughout the entire PID, excluding Non-Benefited Property, in a manner that anticipates the planned development of the PID based on the anticipated number of Equivalent Units. The property within the PID is being assessed in order to pay for the costs of the Additional Authorized Improvements.

Notice of this assessment hearing and the amount of the Additional Authorized Improvements has been provided to the public and the property owner.

The Town Council will conduct a public hearing to consider testimony and act upon Ordinance No. 1750 accepting and approving an Updated Service and Assessment Plan and Assessment Roll - Additional Authorized Improvements for the Spiritas East Public Improvement District; making a finding of special benefit to the property in the District; levying assessments against property within the District and establishing a lien on such property; providing for the method of assessment and the payment of the assessment in accordance with Chapter 372, Texas Local Government Code, as amended.

**BUDGET IMPACT:**

The SAP outlines the costs associated with infrastructure brought into the Town by the Developer to service this area. These costs are then passed to the homeowners in a form of an annual property levy assessment that is detailed out in the SAP. The costs the Town incurs for administering the PID and will be reimbursed through administrative fees captured in the levy assessments.

**RECOMMENDED ACTION:**

Staff recommends approval.

---

**Attachments**

Ordinance No. 1750- Accepting and Approving Updated Service and Assessment Plan for Spiritas East PID

## ORDINANCE NO. 1750

**AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM, TEXAS ACCEPTING AND APPROVING AN UPDATED SERVICE AND ASSESSMENT PLAN, INCLUDING AN ASSESSMENT ROLL – ADDITIONAL AUTHORIZED IMPROVEMENTS FOR THE SPIRITAS EAST PUBLIC IMPROVEMENT DISTRICT; MAKING A FINDING OF SPECIAL BENEFIT TO THE PROPERTY IN THE DISTRICT; LEVYING ASSESSMENTS AGAINST PROPERTY WITHIN THE DISTRICT AND ESTABLISHING A LIEN ON SUCH PROPERTY; PROVIDING FOR THE METHOD OF ASSESSMENT AND THE PAYMENT OF THE ASSESSMENTS IN ACCORDANCE WITH CHAPTER 372, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED; PROVIDING PENALTIES AND INTEREST ON DELINQUENT ASSESSMENTS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, a petition was submitted and filed with the Town Secretary (the “Town Secretary”) of the Town of Little Elm, Texas (the “Town”) pursuant to the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the “PID Act”), requesting the creation of a public improvement district located within the corporate limits of the Town; and

**WHEREAS**, the petition contained the signature of the owner of taxable property representing more than fifty percent of the appraised value of taxable real property liable for assessment within the proposed District, as determined by the then current ad valorem tax rolls of the Denton Central Appraisal District, and the signature of the record owner of taxable real property that constitutes more than fifty percent of the area of all taxable property that is liable for assessment by the proposed District; and

**WHEREAS**, on November 16, 2021, after due notice, the Town Council of the Town (the “Town Council”) held the public hearing in the manner required by law on the advisability of the improvement projects and services described in the petition as required by Section 372.009 of the PID Act and on November 16, 2021, the Town Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 1116202103 (the “Authorization Resolution”), adopted by a majority of the members of the Town Council, authorized and created the Spiritas East Public Improvement District (the “District”) in accordance with its finding as to the advisability of the improvement projects and services and also made findings and determinations relating to the estimated total costs of certain Authorized Improvements; and

**WHEREAS**, on November 17, 2021, the Town Secretary filed a copy of Resolution No. 1116202103 with the county clerk of each county in which all or a part of the District is located in accordance with the provisions of the PID Act; and

**WHEREAS**, no written protests regarding the creation of the District from any owners of record of property within the District were filed with the Town Secretary; and

**WHEREAS**, the Town has heretofore issued \$4,650,000 Town of Little Elm, Texas, Special Assessment Revenue Bonds, Series 2022 (Spiritas East Public Improvement District Project) that are secured by special assessments levied on the Assessed Property (as defined in the Service and Assessment Plan); and

**WHEREAS**, on February 6, 2024, the Town Council adopted a resolution approving a preliminary updated service and assessment plan, including a proposed assessment roll related to additional improvements to be constructed and/or acquired within the District for the benefit of the Assessed Property (the “Additional Authorized Improvements”); calling for a public hearing to consider an ordinance levying assessments on property within the District (the “Assessments”); authorizing and directing the Town Secretary of the Town to file the proposed assessment roll related to such additional improvements and make such assessment roll available for public inspection; authorizing and directing the publication of notice of a public hearing to consider the levying of the Assessments against the property within the District (the “Levy and Assessment Hearing”); authorizing and directing the mailing of notice of the Levy and Assessment Hearing to owners of property liable for assessment; and directing related action; and

**WHEREAS**, on February 7, 2024 the Town Secretary filed the Additional Authorized Improvement Assessment Roll (defined below) and made the same available for public inspection; and

**WHEREAS**, the Town Secretary, pursuant to Section 372.016(b) of the PID Act, published notice of the Levy and Assessment Hearing on February 7, 2024 in the *Dallas Morning News*, a newspaper of general circulation in the Town; and

**WHEREAS**, the Town Secretary, pursuant to Section 372.016(c) of the PID Act, mailed the notice of the Levy and Assessment Hearing to the last known addresses of the owners of the property liable for the Assessments; and

**WHEREAS**, on February 20, 2024, the Town Council opened the Levy and Assessment Hearing, at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the proposed Additional Authorized Improvements Assessment Roll, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of the Actual Costs of the Additional Authorized Improvements to be undertaken for the benefit of the Assessed Property, the purposes of the Assessments, the special benefits of the Additional Authorized Improvements, and the penalties and interest on annual installments and on delinquent annual installments of the Assessments; and

**WHEREAS**, the Town Council finds and determines that the Additional Authorized Improvements Assessment Roll and the Spiritas East Public Improvement District Service and Assessment Plan, dated February 20, 2024, in a form substantially similar to the attached *Exhibit A* (as updated, the “Service and Assessment Plan”), and which is incorporated herein for all purposes, should be approved and that the Assessments should be levied as provided in this Ordinance and the Service and Assessment Plan and the assessment roll attached thereto as Appendix H (the “Additional Authorized Improvements Assessment Roll”); and



**WHEREAS**, the Town Council further finds that there were no objections or evidence submitted to the Town Secretary in opposition to the Service and Assessment Plan, the allocation of the Actual Costs of the Additional Authorized Improvements (as described in the Service and Assessment Plan), the Additional Authorized Improvements Assessment Roll, or the levy of the Assessments against the Assessed Property; and

**WHEREAS**, the owners (the “Landowners”), or their representatives, of the majority of the privately-owned and taxable property located within the District, who are the persons to be assessed pursuant to this Ordinance, have previously indicated their approval and acceptance of the Service and Assessment Plan, approval of the Additional Authorized Improvements Assessment Roll, approval of this Ordinance, and approval of the levy of the Assessments against their property located within the District; and

**WHEREAS**, the Town Council closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the Town, determined to proceed with the adoption of this Ordinance in conformity with the requirements of the PID Act.

**NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM, TEXAS:**

**Section 1. Terms.**

Terms not otherwise defined herein are defined in the Service and Assessment Plan.

**Section 2. Findings.**

The findings and determinations set forth in the preambles hereof are hereby incorporated by reference and made a part of this Ordinance for all purposes as if the same were restated in full in this Section. The Town Council hereby finds, determines, and ordains, as follows:

(a) The apportionment of the Actual Costs of the Additional Authorized Improvements (as reflected in the Service and Assessment Plan), and the Administrative Expenses (as defined in and as described by the Service and Assessment Plan) is fair and reasonable, reflects an accurate presentation of the special benefit each assessed parcel of Assessed Property will receive from the construction of the Additional Authorized Improvements identified in the Service and Assessment Plan, and is hereby approved;

(b) The Service and Assessment Plan (i) covers a period of at least five years, (ii) defines the annual indebtedness and projected costs for the Additional Authorized Improvements, and (iii) includes a copy of the notice form required by Section 5.014 of the Texas Property Code, as amended. The Service and Assessment Plan and has been reviewed and updated annually, including the updated Service and Assessment Plan attached hereto as ***Exhibit A***;

(c) The Service and Assessment Plan apportions the Actual Costs of the Additional Authorized Improvements to be assessed against the Assessed Property as

Assessments and such apportionment is made on the basis of special benefits accruing to the Assessed Property because of the Additional Authorized Improvements;

(d) All of the real property in the District which is being assessed in the amounts shown in the Additional Authorized Improvements Assessment Roll will be benefited by the Additional Authorized Improvements proposed to be constructed as described in the Service and Assessment Plan, and each assessed parcel of Assessed Property will receive special benefits during the term of the Assessments equal to or greater than the total amount assessed;

(e) The method of apportionment of the Actual Costs of the Additional Authorized Improvements and Administrative Expenses set forth in the Service and Assessment Plan results in imposing equal shares of the Actual Costs of the Additional Authorized Improvements and Administrative Expenses on property similarly benefited, and results in a reasonable classification and formula for the apportionment of the Actual Costs of the Additional Authorized Improvements;

(f) The Service and Assessment Plan should be approved as the service plan and assessment plan for the District as described in Sections 372.013 and 372.014 of the PID Act;

(g) The Additional Authorized Improvements Assessment Roll should be approved as an assessment roll for the Assessed Property within the District;

(h) The provisions of the Service and Assessment Plan relating to due and delinquency dates for the Assessments, interest on Annual Installments, interest and penalties on delinquent Assessments and delinquent Annual Installments, and procedures in connection with the imposition and collection of Assessments should be approved and will expedite collection of the Assessments in a timely manner in order to provide the services and improvements needed and required for the District; and

(i) A written notice of the date, hour, place and subject of this meeting of the Town Council was posted at a place convenient to the public for the time required by law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended, and this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter hereof has been discussed, considered, and formally acted upon.

### **Section 3. Service and Assessment Plan.**

The Service and Assessment Plan is hereby accepted and approved pursuant to Sections 372.013 and 372.014 of the PID Act as the service plan and the assessment plan for the District.

**Section 4. Additional Authorized Improvements Assessment Roll.**

The Additional Authorized Improvements Assessment Roll is hereby accepted and approved pursuant to Section 372.016 of the PID Act as the Additional Authorized Improvements Assessment Roll of the District.

**Section 5. Levy and Payment of Assessments for Actual Costs of the Additional Authorized Improvements.**

(a) The Town Council hereby levies an assessment on each parcel of Assessed Property (excluding Non-Benefitted Property, as defined in the Service and Assessment Plan), as shown and described in the Service and Assessment Plan and the Additional Authorized Improvements Assessment Roll, in the respective amounts shown on the Additional Authorized Improvements Assessment Roll, as a special assessment on the properties set forth in the Additional Authorized Improvements Assessment Roll.

(b) The levy of the Assessments shall be effective on the date of execution of this Ordinance levying the Assessments and strictly in accordance with the terms of the Service and Assessment Plan and the PID Act.

(c) The collection of the Assessments shall be as described in the Service and Assessment Plan and the PID Act.

(d) Each Assessment may be paid in a lump sum at any time or may be paid in Annual Installments pursuant to the terms of the Service and Assessment Plan.

(e) Each Assessment shall bear interest at the rate or rates specified in the Service and Assessment Plan.

(f) Each Annual Installment shall be collected each year in the manner set forth in the Service and Assessment Plan.

(g) The Administrative Expenses for the Assessed Property shall be calculated and collected pursuant to the terms of the Service and Assessment Plan.

**Section 6. Method of Assessment.**

The method of apportioning the Actual Costs of the Additional Authorized Improvements and Administrative Expenses is set forth in the Service and Assessment Plan.

**Section 7. Penalties and Interest on Delinquent Assessments.**

Delinquent Assessments shall be subject to the penalties, interest, procedures, and foreclosure sales set forth in the Service and Assessment Plan and as allowed by law.

**Section 8. Prepayments of Assessments.**

As provided in Section VI of the Service and Assessment Plan, the owner of any Assessed Property subject to an Assessment may prepay the Assessments levied by this Ordinance.

**Section 9. Lien Priority.**

The Town Council and the Landowners intend for the obligations, covenants and burdens on the Landowners of each parcel of Assessed Property, including without limitation such Landowners' obligations related to payment of the Assessments and the Annual Installments thereof, to constitute covenants that shall run with the land. The Assessments and the Annual Installments thereof which are levied hereby shall be binding upon the Landowners, as the owners of each parcel of Assessed Property, and their respective transferees, legal representatives, heirs, devisees, successors and assigns in the same manner and for the same period as such parties would be personally liable for the payment of ad valorem taxes under applicable law. Assessments shall have lien priority as specified in the Service and Assessment Plan and the PID Act.

**Section 10. Appointment of Administrator and Collector of Assessments.**

(a) Appointment of Administrator.

MuniCap, Inc., is hereby appointed and designated to initially serve, or until otherwise determined by the Town Council, as the Administrator of the Service and Assessment Plan and of the Assessments levied by this Ordinance. The Administrator shall perform the duties of the Administrator described in the Service and Assessment Plan and in this Ordinance. The Administrator's fees, charges and expenses for providing such service shall constitute an Administrative Expense.

(b) Appointment of Collector.

The Tax Assessor/Collector of Denton County is hereby appointed and designated as the collector of the Assessments.

**Section 11. Applicability of Tax Code.**

To the extent not inconsistent with this Ordinance, and not inconsistent with the PID Act or the other laws governing public improvement districts, the provisions of the Texas Tax Code shall be applicable to the imposition and collection of the Assessments by the Town.

**Section 12. Filing in Land Records.**

The Town Secretary is directed to cause a copy of this Ordinance, including the Service and Assessment Plan and the Additional Authorized Improvements Assessment Roll, to be recorded in the real property records of Denton County. The Town Secretary is further directed to similarly file each Annual Service Plan Update (as defined in the Service and Assessment Plan) approved by the Town Council.

**Section 13. Severability.**

If any provision, section, subsection, sentence, clause, or phrase of this Ordinance, or the application of the same to any person or set of circumstances is for any reason held to be unconstitutional, void, or invalid, the validity of the remaining portions of this Ordinance or the

application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the Town Council that no portion hereof, or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, or invalidity or any other portion hereof, and all provisions of this ordinance are declared to be severable for that purpose.

**Section 14. Effective Date.**

This Ordinance shall take effect, and the levy of the Assessments, and the provisions and terms of the Service and Assessment Plan shall be and become effective upon passage and execution hereof.

*[Remainder of page intentionally left blank; signatures follow]*

**PASSED AND APPROVED**, this the 20<sup>th</sup> day of February, 2024.

TOWN OF LITTLE ELM, TEXAS

\_\_\_\_\_  
Curtis J. Cornelious, Mayor

ATTEST:

\_\_\_\_\_  
Caitlan Biggs, Town Secretary

\_\_\_\_\_  
Matt Mueller, Town Manager

(Town Seal)

APPROVED AS TO FORM:

\_\_\_\_\_  
Robert Brown, Town Attorney

STATE OF TEXAS                   §  
   §  
COUNTY OF DENTON           §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_,  
2024 by Curtis J. Cornelious, Mayor of the Town of Little Elm, Texas on behalf of said Town.

\_\_\_\_\_  
Notary Public, State of Texas

(SEAL)

**EXHIBIT A**

Service and Assessment Plan

# SPIRITAS EAST PUBLIC IMPROVEMENT DISTRICT

TOWN OF LITTLE ELM, TEXAS

## SERVICE AND ASSESSMENT PLAN

December 21, 2021 and updated for Additional Authorized  
Improvements February 20, 2024

**PREPARED BY:**

**MUNICAP, INC.**  
— PUBLIC FINANCE —



# SPIRITAS EAST PUBLIC IMPROVEMENT DISTRICT

## SERVICE AND ASSESSMENT PLAN

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### APPENDIX A – PID MAP

**APPENDIX B - BUDGETED COSTS OF AUTHORIZED IMPROVEMENTS**

**APPENDIX C - LEGAL DESCRIPTION**

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**APPENDIX E - PID ASSESSMENT NOTICE**

**APPENDIX F - ASSESSMENT PER UNIT, PROJECTED LEVERAGE AND PROJECTED TAX  
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**APPENDIX G - ASSESSMENT ROLL - INITIAL AUTHORIZED IMPROVEMENTS**

**APPENDIX H –ASSESSMENT ROLL - ADDITIONAL AUTHORIZED IMPROVEMENTS**

**APPENDIX I – COMBINED PROJECTED ANNUAL INSTALLMENTS**

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## ***I. PLAN DESCRIPTION AND DEFINED TERMS***

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### **A. INTRODUCTION**

On November 16, 2021 (the “Creation Date”) the Town Council (the “Town Council”) of the Town of Little Elm, Texas (the “Town”) passed and approved Resolution No. 1116202103 approving and authorizing the creation of the Spiritas East Public Improvement District (the “PID”) to finance the costs of certain public improvements for the benefit of property in such public improvement district (the “Authorized Improvements”), all of which is located within the Town.

The property in the PID is proposed to be developed as one phase, and the PID will finance public improvements as the property is developed. Assessments will be imposed on the property that receives a special benefit from the Authorized Improvement’s for the public improvements to be constructed.

Chapter 372 of the Texas Local Government Code, the “Public Improvement District Assessment Act” (as amended, the “PID Act”), governs the creation and operation of public improvement districts within the State of Texas. The Spiritas East Public Improvement District Service and Assessment Plan (the “Service and Assessment Plan”) has been prepared in accordance with the PID Act and specifically Sections 372.013, 372.014, 372.015 and 372.016, which address the requirements of a service and assessment plan and the assessment roll. According to Section 372.013 of the PID Act, a service plan “must (i) cover a period of at least five years; (ii) define the annual indebtedness and the projected costs for improvements; and (iii) include a copy of the notice form required by Section 5.014, Property Code.” The service plan is described in Section IV of this Service and Assessment Plan. The copy of the notice form required by Section 5.014 of the Texas Property Code, as amended, is attached hereto as Appendix E.

Section 372.014 of the PID Act requires that “an assessment plan must be included in the annual service plan.” The assessment plan is described in Section V of this Service and Assessment Plan.

Section 372.015 of the PID Act requires that “the governing body of the municipality or county shall apportion the cost of an improvement to be assessed against property in an improvement district.” The method of assessing the Authorized Improvement Costs and apportionment of such costs to the property in the PID is included in Section V of this Service and Assessment Plan.

Section 372.016 of the PID Act requires that “after the total cost of an improvement is determined, the governing body of the municipality or county shall prepare a proposed assessment roll. The roll must state the assessment against each parcel of land in the district, as determined by the method of assessment chosen by the municipality or county under this subchapter.” The Assessment Rolls for the PID are included in this Service and Assessment Plan as Appendix G and Appendix H. The combined projected Annual Installments expected to be collected from the Assessed Property are included in this Service and Assessment Plan as Appendix I. The Assessments as shown on the Assessment Rolls are based on the method of assessment and apportionment of costs described in Section V of this Service and Assessment Plan.

## B. DEFINITIONS

Capitalized terms used herein shall have the meanings ascribed to them as follows:

**“Actual Cost(s)”** means, with respect to an Authorized Improvement, the demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvement, as specified in a payment request in a form that has been reviewed and approved by the Town. Actual Cost may include (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of such Authorized Improvement, including general contractor construction management fees, if any, (b) the costs of preparing the construction plans for such Authorized Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (d) the costs for external professional costs associated with such Authorized Improvement, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, taxes (e) the costs of all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and material men in connection with the acquisition, construction or implementation of the Authorized Improvements, (f) all related permitting, zoning and public approval expenses, architectural, engineering, legal, and consulting fees, financing charges, taxes, governmental fees and charges (including inspection fees, Town permit fees, development fees), insurance premiums, miscellaneous expenses.

Actual Costs include general contractor’s fees in an amount up to a percentage equal to the percentage of work completed and accepted by the Town or construction management fees in an amount up to five percent of the eligible Actual Costs described in a payment request in a form that has been reviewed and approved by the Town. The amounts expended on legal costs, taxes, governmental fees, insurance premiums, permits, financing costs, and appraisals shall be excluded from the base upon which the general contractor and construction management fees are calculated.

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

**“Additional Authorized Improvements”** mean the Additional Authorized Improvements which only benefit the Assessed Property, which are described in Section III.B and funded pursuant to the Additional Authorized Improvements Reimbursement Agreement.

**“Additional Authorized Improvements Reimbursement Agreement”** means that certain Additional Authorized Improvements Reimbursement Agreement dated as of February 20, 2024 by and between the Town and the Developer in which the Developer agrees to fund certain Actual Costs of Additional Authorized Improvements and the Town agrees to reimburse the Developer with interest as permitted by the PID Act solely from Assessment Revenues collected in connection with the Additional Authorized Improvements, and in all instances, on a subordinate basis to the Series 2022 PID Bonds, for a portion of such Actual Costs funded by the Developer for Additional Authorized Improvements constructed and accepted by the Town for the benefit of the Assessed Property.

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

**“Additional Interest Reserve”** has the meaning set forth in Section V.F of this Service and Assessment Plan.

**“Administrative Expenses”** mean the administrative, organization, maintenance and operation costs associated with, or incident to, the administration, organization, maintenance and operation of the PID, including, but not limited to, the costs of: (i) creating and organizing the PID, including conducting hearings, preparing notices and petitions, and all costs incident thereto, including engineering fees, legal fees and consultant fees, (ii) the annual administrative, organization, maintenance, and operation costs and expenses associated with, or incident and allocable to, the administration, organization, and operation of the PID, (iii) computing, levying, billing and collecting Assessments or the Annual Installments thereof, (iv) maintaining the record of installments of the Assessments and the system of registration and transfer of the Bonds, (v) issuing, paying and redeeming the Bonds, (vi) investing or depositing of monies, (vii) complying with the PID Act and other laws applicable to the Bonds, (viii) the Trustee fees and expenses relating to the Bonds, including reasonable fees, (ix) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, and (x) administering the construction of the Authorized Improvements. Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on the Bonds or any other cost of issuance associated with the bonds. Administrative Expenses collected and not expended for actual Administrative Expenses shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of amounts to pay Administrative Expenses.

**“Administrator”** means the employee or designee of the Town, identified in any indenture of trust relating to a series of Bonds or identified in any other agreement approved by the Town Council, who shall have the responsibilities provided for herein.

**“Annual Installment”** means, with respect to each Parcel, each annual payment of: (i) the Assessments including any applicable interest, as shown on the Assessment Rolls attached hereto as Appendix G and Appendix H, as applicable, or in an Annual Service Plan Update, and calculated as provided in Section VI of this Service and Assessment Plan, (ii) the Administrative Expenses, and (iii) the Additional Interest described in Section V.F. of this Service and Assessment Plan.

**“Annual Service Plan Update”** has the meaning set forth in the second paragraph of Section IV of this Service and Assessment Plan.

**“Assessed Property”** means any property that benefits from the Authorized Improvements within the PID on which Assessments have been imposed as shown in an Assessment Roll, as such Assessment Roll is updated each year by the Annual Service Plan Update. Assessed Property includes Parcels within the PID other than Non-Benefited Property.

**“Assessment”** means an assessment levied against a Parcel imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on any Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and the PID Act. An Assessment for a Parcel consists of the Annual Installments to be collected in all years and amounts collected to pay Administrative Expenses and interest on all Assessments.

**“Assessment Ordinance”** means an Assessment Ordinance adopted by the Town Council approving the Service and Assessment Plan (including amendments or supplements to the Service and Assessment Plan) and levying the Assessments.

**“Assessment Revenues”** mean the revenues received by or on behalf of the Town from the collection of Assessments.

**“Assessment Roll”** or **“Assessment Rolls”** means collectively or separately, as applicable, the Assessment Rolls included in this Service and Assessment Plan as Appendix G and Appendix H, or any other Assessment Rolls in an amendment or supplement to this Service and Assessment Plan or in an Annual Service Plan Update, as each may be updated, modified, or amended from time to time in accordance with the procedures set forth in this Service and Assessment Plan and in the PID Act.

**“Authorized Improvements”** mean those public improvements described in Appendix B of this Service and Assessment Plan and Section 372.003 of the PID Act, acquired, constructed and installed in accordance with this Service and Assessment Plan, including the Initial Authorized Improvements and Additional Authorized Improvements, and any future updates and/or amendments.

**“Authorized Improvement Costs”** mean the Actual Costs or the Budgeted Costs, as applicable, of all or any portion of the Authorized Improvements, including the Initial Authorized Improvements and Additional Authorized Improvements, as shown in Appendix B.

**“Bonds”** mean any bonds, including the Series 2022 PID Bonds, issued in one or more series for financing the Initial Authorized Improvements and secured in whole or in part by the Assessment Revenues levied in connection with the Initial Authorized Improvements.

**“Budgeted Cost(s)”** means the amounts budgeted to construct the Authorized Improvements as used in the preparation of this Service and Assessment Plan.

**“Certification for Payment”** means the certificate to be provided by the Developer, or his designee, to substantiate the Actual Cost of one or more Authorized Improvements, which may be in segments or sections.

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

**“Delinquent Collection Costs”** mean interest, penalties and expenses incurred or imposed with respect to any delinquent installment of an Assessment in accordance with the PID Act and the

costs related to pursuing collection of a delinquent Assessment and foreclosing the lien against the Assessed Property, including attorney's fees.

**“Developer”** means MM Little Elm 43, LLC, a Texas limited liability company and its successors and assigns.

**“Development Agreement”** means that certain Spiritas East Development Agreement relating to the PID executed by and between the Developer and the Town effective November 16, 2021, as the same may be amended from time to time.

**“Equivalent Units”** mean, as to any Parcel the number of dwelling units by lot type expected to be built on the Parcel multiplied by the factors calculated and shown in Appendix F attached hereto.

**“Homeowner Association”** means a homeowners' association or property owners' association established for the benefit of property owners within the PID.

**“Homeowner Association Property”** means property within the PID owned by or irrevocably offered for dedication to, whether in fee simple or through an easement, a Homeowners' Association established for the benefit of a group of homeowners or property owners within the PID.

**“Initial Authorized Improvements”** mean the Initial Authorized Improvements which only benefit the Assessed Property, which are described in Section III.B and funded with the Series 2022 PID Bonds.

**“Lot”** means a tract of land described as a “lot” in a subdivision plat recorded in the official public records of the County.

**“Lot Type”** means a classification of final building lots with similar characteristics (e.g. commercial, light industrial, multifamily residential, single family residential, etc.), as determined by the Administrator and confirmed by the Town 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 for each lot as of the date of the recorded subdivision plat, considering factors such as density, lot size, proximity to amenities, view premiums, location, and any other factors that may impact the average home value on the lot, as determined by the Administrator and confirmed by the Town Council.

**“Maximum Assessment Per Unit”** means an Assessment per unit for each applicable Lot Type as follows:

Lot Type 1 (50 Ft Lot) - \$44,154.01  
Lot Type 2 (40 Ft Lot) - \$31,790.89

**“MSUD”** means Mustang Special Utility District.



**“Non-Benefited Property”** means Parcels that accrue no special benefit from the Authorized Improvements, including Homeowner Association Property, Public Property and easements that create an exclusive use for a public utility provider. Property identified as Non-Benefited Property at the time the Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel, is not assessed. Assessed Property converted to Non-Benefited Property, if the Assessments may not be reallocated pursuant to the provisions herein, remains subject to the Assessments and requires the Assessments to be prepaid as provided for in Section VI.E.

**“Parcel” or “Parcels”** means a parcel or parcels within the PID identified by either a tax map identification number assigned by the Denton Central Appraisal District for real property tax purposes or by lot and block number in a final subdivision plat recorded in the official public records for real property in Denton County.

**“PID”** has the meaning set forth in Section I.A. of this Service and Assessment Plan.

**“PID Act”** means Texas Local Government Code Chapter 372, Public Improvement District Assessment Act, Subchapter A, Public Improvement Districts, as amended.

**“Prepayment Costs”** mean interest and expenses to the date of prepayment, plus any additional expenses related to the prepayment allowed by applicable law, reasonably expected to be incurred by or imposed upon the Town as a result of any prepayment of an Assessment.

**“Public Property”** means property, right of way and easements within the boundaries of the PID that is owned by or irrevocably offered for dedication to the federal government, the State of Texas, Denton County, the Town, a school district or any other public agency or political subdivision, whether in fee simple or through an exclusive use easement.

**“Series 2022 PID Bonds”** mean those certain Town of Little Elm Texas, Special Assessment Revenue Bonds, Series 2022 (Spiritas East Public Improvement District) that are secured primarily by the Assessment Revenues levied in connection with the Initial Authorized Improvements.

**“Service and Assessment Plan”** means this Service and Assessment Plan prepared for the PID pursuant to the PID Act, as the same may be amended from time to time.

**“Town”** means the Town of Little Elm, Texas.

**“Town Council”** means the duly elected governing body of the Town.

**“Trust Indenture”** means an indenture of trust, ordinance or similar document setting forth the terms and other provisions relating to the Bonds, as modified, amended, and/or supplemented from time to time.

**“Trustee”** means the fiscal agent or trustee as specified in a Trust Indenture, including a substitute fiscal agent or trustee.



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## ***II. PROPERTY INCLUDED IN THE PID***

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### **A. PROPERTY INCLUDED IN THE PID**

The PID is presently located within the Town and contains approximately 38.468 acres of land. A map of the property within the PID is shown on Appendix A and described in Appendix C to this Service and Assessment Plan.

At completion, the PID is expected to consist of approximately 146 single family residential units, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities to the PID. The estimated number of lots and the classification of each lot are based upon the proposed development plan.

The property within the PID is proposed to be developed as follows:

**Table II-A**  
**Proposed Development within the PID**

<b>Proposed Development</b>	<b>Quantity</b>	<b>Measurement</b>
Single-Family - 50 Ft	29	Units
Single-Family - 40 Ft	117	Units
<b>Total</b>	<b>146</b>	<b>Units</b>

The estimated number of units at the build-out of the PID is based on the land use approvals for the property, the anticipated subdivision of property in the PID, and the Developer's estimate of the highest and best use of the property within the PID.

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### ***III. DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS***

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#### **A. AUTHORIZED IMPROVEMENT OVERVIEW**

##### 372.003. Authorized Improvements

(a) If the governing body of a municipality or county finds that it promotes the interests of the municipality or county, the governing body may undertake an improvement project that confers a special benefit on a definable part of the municipality or county or the municipality's extraterritorial jurisdiction. A project may be undertaken in the municipality or county or the municipality's extraterritorial jurisdiction.

(b) A public improvement may include:

- (i) landscaping;
- (ii) erection of fountains, distinctive lighting, and signs;
- (iii) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of way;
- (iv) construction or improvement of pedestrian malls;
- (v) acquisition and installation of pieces of art;
- (vi) acquisition, construction, or improvement of libraries;
- (vii) acquisition, construction, or improvement of off-street parking facilities;
- (viii) acquisition, construction, improvement, or rerouting of mass transportation facilities;
- (ix) acquisition, construction, or improvement of water, wastewater, or drainage facilities or improvements;
- (x) the establishment or improvement of parks;
- (xi) projects similar to those listed in Subdivisions (i)-(x);
- (xii) acquisition, by purchase or otherwise, of real property in connection with an authorized improvement;
- (xiii) special supplemental services for improvement and promotion of the district, including services relating to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation, and cultural enhancement;
- (xiv) payment of expenses incurred in the establishment, administration and operation of the district; and
- (xv) the development, rehabilitation, or expansion of affordable housing

After analyzing the public improvement projects authorized by the PID Act, the Town has determined at this time to undertake only Authorized Improvements listed in Section III.B. on the following page and shown in the opinion of probable costs included as Appendix B and on the

diagrams included as Appendix D for the benefit of the Assessed Property. Any change to the list of Authorized Improvements will require the approval of the Town and an update to this Service and Assessment Plan.

## **B. DESCRIPTIONS AND COSTS OF THE INITIAL AUTHORIZED IMPROVEMENTS AND THE ADDITIONAL AUTHORIZED IMPROVEMENTS**

### *Initial Authorized Improvements*

The descriptions of the Initial Authorized Improvements are presented below. The Budgeted Costs are shown in Table III-A and may be revised in an Annual Service Plan Update as needed.

A description of the Initial Authorized Improvements are as follows:

#### Roadway Improvements

The roadway improvements within the PID consist of the construction of road improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices, which benefit the Assessed Property. All roadway improvements will be designed and constructed in accordance with Town standards and specifications and will be owned and maintained by the Town.

#### Water Improvements

The water improvements within the PID consist of construction and installation of a looped water main network, waterlines, mains, pipes, valves, and appurtenances, necessary for the portion of the water distribution system that will service the Assessed Property. The water improvements will be designed and constructed according to MSUD and Town standards and will be owned and operated by the MSUD.

#### Sanitary Sewer Improvements

The wastewater improvements within the PID consist of construction and installation of various sized gravity sewer lines, pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to Assessed Property. The sanitary sewer improvements will be designed and constructed according to MSUD and Town standards and specifications and will be owned and operated by the MSUD.

#### Storm Drainage Improvements

The storm drainage improvements within the PID consist of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts, which benefit the Assessed Property. The storm drainage collection system improvements will be designed and constructed in accordance with Town standards and specifications and will be owned and maintained by the Town.

### Soft and Miscellaneous Costs

The soft and miscellaneous costs include costs related to designing, constructing, and installing the Initial Authorized Improvements including land planning and design, town fees, engineering, soil testing, survey, construction management, contingency, district formation costs, legal fees, consultant fees, and other similar costs.

### Additional Authorized Improvements

The descriptions of the Additional Authorized Improvements are presented below. The Budgeted Costs are shown in Table III-A and may be revised in an Annual Service Plan Update as needed.

A description of the Additional Authorized Improvements are as follows:

### Right-of Way

The Additional Authorized Improvements include internal right-of-way acquisition as provided by the project engineer.

### Soft and Miscellaneous Costs

The soft and miscellaneous costs include costs related to designing, constructing, and installing the Additional Authorized Improvements including land planning and design, town fees, engineering, soil testing, survey, construction management, contingency, district formation costs, legal fees, consultant fees, and other similar costs.

The Budgeted Costs of the Authorized Improvements shown in Table III-A may be revised in Annual Service Plan Updates. Savings from one line item may be applied to a cost increase in another line item. These savings may be applied only to increases in costs of the Authorized Improvements (i.e., the improvements for the benefit of property within the PID). Additional details of the Authorized Improvements are shown in Appendix B attached to this Service and Assessment Plan. The method of cost allocation is explained in Section V.C.

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**Table III-A**  
**Budgeted Authorized Improvement Costs**

<b>Description</b>	<b>Initial Authorized Improvements</b>	<b>Additional Authorized Improvements</b>	<b>Total</b>
Roadway improvements	\$1,777,602	\$0	\$1,777,602
Water improvements	\$422,136	\$0	\$422,136
Sanitary sewer improvements	\$644,200	\$0	\$644,200
Storm drainage improvements	\$681,241	\$0	\$681,241
Other soft and miscellaneous costs	\$760,499	\$34,500	\$794,999
ROW Acquisition	\$0	\$990,000	\$990,000
<b>Total Authorized Improvements</b>	<b>\$4,285,678</b>	<b>\$1,024,500</b>	<b>\$5,310,178</b>

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## ***IV. SERVICE PLAN***

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### **A. PROJECTED SOURCES AND USES OF FUNDS**

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 PID during the five year period. It is anticipated that the Initial Authorized Improvements will be completed and accepted by the City in the 1<sup>st</sup> quarter of 2024. It is anticipated that the Additional Authorized Improvements will be completed and accepted by the City in the 1<sup>st</sup> quarter of 2024.

The Budgeted Costs for the Initial Authorized Improvements plus costs related to the issuance of the Series 2022 PID Bonds and payment of expenses incurred in the establishment, administration and operation of the PID are \$5,294,907 as shown in Table IV-A.1.

The Budgeted Costs for the Additional Authorized Improvements are \$1,024,500 as shown in Table IV-A.2. The service plan shall be reviewed and updated at least annually for the purpose of determining the annual budget for Administrative Expenses, updating the Actual Costs of the Authorized Improvements, and updating any Assessment Roll. Any update to this Service and Assessment Plan is herein referred to as an “Annual Service Plan Update.”

Table IV-A.1 shows the projected sources and uses of funds for the Initial Authorized Improvements.

The Series 2022 PID Bonds shown in Table IV-A.1 were issued in 2022 and will be used to finance the Authorized Improvement Costs of the Initial Authorized Improvements.

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**Table IV-A.1**  
**Projected Sources and Uses – Initial Authorized Improvements**

<b>Sources of Funds</b>	<b>Total</b>
Par amount	\$4,650,000
Plus: original issue discount	(\$19,098)
Other funding sources <sup>(1)</sup>	\$664,006
<b>Total Sources</b>	<b>\$5,294,907</b>
<b>Uses of Funds</b>	
<i>Initial Authorized Improvement<sup>(2)</sup>:</i>	
Roadway improvements	\$1,777,602
Water improvements	\$422,136
Sanitary sewer improvements	\$644,200
Storm drainage improvements	\$681,241
Other soft and miscellaneous costs	\$760,499
<i>Subtotal</i>	<i>\$4,285,678</i>
<i>Bond Issuance Costs:</i>	
Cost of issuance	\$265,150
Capitalized interest	\$286,562
Reserve fund	\$278,018
Administrative expense	\$40,000
Underwriter's discount	\$139,500
<i>Subtotal</i>	<i>1,009,229</i>
<b>Total Uses</b>	<b>\$5,294,907</b>

<sup>1</sup>Funds were deposited by the developer at the time of the closing of the Series 2022 Bonds to complete the Initial Authorized Improvements and which will not be reimbursed to the developer.

<sup>2</sup>See Table III-A for details.

The Additional Authorized Improvements Reimbursement Agreement shown in Table IV-A.2, was executed in 2024 between the Town and the Developer to finance Authorized Improvement Costs of the Additional Authorized Improvements. The Town is not under any obligation to issue Bonds to replace or refinance the Additional Authorized Improvements Reimbursement Agreement.

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**Table IV-A.2**  
**Projected Sources and Uses – Additional Authorized Improvements**

<b>Sources of Funds</b>	<b>Additional Authorized Improvements Reimbursement Agreement</b>
Par amount	\$350,000
Other funding sources <sup>(1)</sup>	\$674,500
<b>Total Sources</b>	<b>\$1,024,500</b>
<b>Uses of Funds</b>	
<i>Additional Authorized Improvements <sup>(2)</sup>:</i>	
ROW Acquisition	\$990,000
<i>Subtotal Additional Authorized Improvements</i>	<i>\$990,000</i>
<i>Other soft and miscellaneous costs</i>	
<i>Soft and miscellaneous costs</i>	<i>\$34,500</i>
<i>Subtotal Other soft and miscellaneous costs</i>	<i>\$34,500</i>
<b>Total Uses</b>	<b>\$1,024,500</b>

<sup>1</sup>See Table III-A for details.

## **B. PROJECTED FIVE -YEAR SERVICE PLAN**

The annual projected costs and annual projected indebtedness for the Initial Authorized Improvements are shown in Table IV-B.1. The annual projected costs and indebtedness are subject to revision, and each shall be updated in the Annual Service Plan Update to reflect any changes in the costs or indebtedness expected for each year.

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**Table IV-B.1**

**Annual Projected Costs and Annual Projected Indebtedness  
Initial Authorized Improvements**

<b>Year</b>	<b>Annual Projected Cost</b>	<b>Annual Projected Indebtedness</b>	<b>Sources other than PID Bonds<sup>(1)</sup></b>	<b>Projected Annual Installments</b>
2022	\$5,294,907	\$4,650,000	\$664,006	\$0
2023	\$0	\$0	\$0	\$64,050
2024	\$0	\$0	\$0	\$342,611
2025	\$0	\$0	\$0	\$342,618
2026	\$0	\$0	\$0	\$343,530
2027	\$0	\$0	\$0	\$343,308
<b>Total</b>	<b>\$5,294,907</b>	<b>\$4,650,000</b>	<b>\$664,006</b>	<b>\$1,436,117</b>

<sup>1</sup>Funds were deposited by the developer at the time of the closing of the Series 2022 Bonds to complete the Initial Authorized Improvements and which will not be reimbursed to the developer.

The annual projected costs shown in Table IV-B.1 are the annual expenditures relating to the Initial Authorized Improvements shown in Table III-A, the costs associated with creating the PID and costs of issuing the Series 2022 PID Bonds, including reserves shown in Table IV-A.1. The difference between the annual projected cost and the annual projected indebtedness, if any, represents an amount funded by the Developer.

The annual projected costs and annual projected indebtedness for the Additional Authorized Improvements are shown in Table IV-B.2. The annual projected costs and indebtedness are subject to revision, and each shall be updated in the Annual Service Plan Update to reflect any changes in the costs or indebtedness expected for each year.

**Table IV-B.2**

**Annual Projected Costs and Annual Projected Indebtedness  
Additional Authorized Improvements**

<b>Year</b>	<b>Annual Projected Cost</b>	<b>Annual Projected Indebtedness</b>	<b>Sources other than PID Bonds</b>	<b>Projected Annual Installments</b>
2024	\$1,024,500	\$350,000	\$674,500	\$0
2025	\$0	\$0	\$0	\$50,195
2026	\$0	\$0	\$0	\$50,018
2027	\$0	\$0	\$0	\$50,849
2028	\$0	\$0	\$0	\$50,630
2029	\$0	\$0	\$0	\$50,420
2030	\$0	\$0	\$0	\$50,219
<b>Total</b>	<b>\$1,024,500</b>	<b>\$350,000</b>	<b>\$674,500</b>	<b>\$302,331</b>

The annual projected costs shown in Table IV-B.2 are the annual expenditures relating to the Additional Authorized Improvements shown in Table III-A. The difference between the annual projected cost and the annual projected indebtedness, if any, represents an amount funded by the Developer.

### **C. PID ASSESSMENT NOTICE**

The PID Act requires that this Service and Assessment Plan, and each Annual Service Plan Update, include a copy of the Notice form (required by Section 5.014 of the Texas Property Code). The PID Assessment Notice is attached hereto as Appendix E and may be updated in an Annual Service Plan Update.

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## ***V. ASSESSMENT PLAN***

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### **A. INTRODUCTION**

The PID Act requires the Town Council to apportion the costs of the Authorized Improvements on the basis of special benefits conferred upon the property because of the Authorized Improvements. The PID Act provides that the costs of the Authorized Improvements may be assessed: (i) equally per front foot or square foot; (ii) according to the value of the property as determined by the governing body, with or without regard to improvements on the property; or (iii) in any other manner that results in imposing equal shares of the cost 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 municipality and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

For purposes of this Service and Assessment Plan, the Town Council has determined that the Budgeted Costs of the Initial Authorized Improvements and Additional Authorized Improvements shall be allocated as described below:

1. The costs of the Initial Authorized Improvements and Additional Authorized Improvements shall be allocated on the basis of Equivalent Units once such property is developed, and that such method of allocation will result in the imposition of equal shares of the costs of the Authorized Improvements to Parcels similarly benefited.
2. The Town Council has concluded that larger more expensive homes are likely to be built on the larger lots, and that larger more expensive homes are likely to make greater use of and receive greater benefit from the Initial Authorized Improvements and Additional Authorized Improvements. In determining the relative values of Parcels, the Town Council has taken into consideration (i) the type of development (i.e., residential, commercial, etc.), (ii) single-family lot sizes and the size of homes likely to be built on lots of different sizes, (iii) current and projected home prices provided by the Developer, (iv) the Initial Authorized Improvements and Additional Authorized Improvements to be provided and the estimated costs, and (v) the ability of different property types to utilize and benefit from the Initial Authorized Improvements and Additional Authorized Improvements.
3. The Assessed Property is classified into different Lot Types as described in Appendix F based on the type and size of proposed development on each Parcel.
4. Equivalent Units are calculated for each Lot Type based on the relative value of each Lot Type.

This section of this Service and Assessment Plan (i) describes the special benefit received by each Parcel within the Assessed Property as a result of the Initial Authorized Improvements and Additional Authorized Improvements, (ii) provides the basis and justification for the determination that this special benefit equals or exceeds the amount of the Assessments levied on

the Assessed Property, and (iii) establishes the methodologies by which the Town Council allocates and reallocates the special benefit of the Initial Authorized Improvements and Additional Authorized Improvements, to the Assessed Property in a manner that results in equal shares of the Actual Costs of such improvements being apportioned to the Assessed Property similarly benefited. The determination by the Town Council of the assessment methodologies set forth below is the result of the discretionary exercise by the Town Council of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future owners and developers of the Assessed Property.

## **B. SPECIAL BENEFIT**

Assessed Property must receive a direct and special benefit from the Authorized Improvements, and this benefit must be equal to or greater than the amount of the Assessments. The Authorized Improvements are provided specifically for the benefit of the Assessed Property. The Authorized Improvements (more particularly described in line-item format in Appendix B to this Service and Assessment Plan) and the costs of issuance and payment of costs incurred in the establishment of the PID, as applicable, shown in Table IV-A.1 and Table IV-A.2 are authorized by the PID Act. These Authorized Improvements are provided specifically for the benefit of the Assessed Property.

Each owner of the Assessed Property has acknowledged or will acknowledge that the Authorized Improvements confer a special benefit on the Assessed Property and has consented or will consent to the imposition of the Assessments to pay for the Actual Costs associated therewith. Each of the owners is acting in its interest in consenting to this apportionment and levying of the Assessments because the special benefit conferred upon the Assessed Property by the Authorized Improvements exceeds the amount of the Assessments.

The Authorized Improvements provide a special benefit to the Assessed Property as a result of the close proximity of these improvements to the Assessed Property and the specific purpose of these improvements of providing infrastructure for the Assessed Property. In other words, the Assessed Property could not be used in the manner proposed without the construction of the Authorized Improvements. The Authorized Improvements are being provided specifically to meet the needs of the Assessed Property as required for the proposed use of the property.

The Assessments are being levied to provide the Authorized Improvements are required for the highest and best use of the Assessed Property (i.e., the use of the property that is most valuable, including any costs associated with that use). Highest and best use can be defined as “the reasonably probable and legal use of property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.” (*Dictionary of Real Estate Appraisal, Third Edition.*) The Authorized Improvements are expected to be required for the proposed use of the Assessed Property to be physically possible, appropriately supported, financially feasible, and maximally productive.

The Developer has evaluated the potential use of the property and has determined that the highest and best use of the property is the use intended and the legal use for the property as described in

Section II of this Service and Assessment Plan. The use of the Assessed Property as described herein will require the construction of the Authorized Improvements.

The special assessments will repay financing that is on advantageous terms, as the Bonds issued to finance the Authorized Improvements will pay interest that is exempt from federal income tax. As a result, all other terms being equal (e.g., maturity, fixed vs. variable rate, credit quality), the tax-exempt bonds will have a lower interest rate than debt that is not tax-exempt. The Bonds also have a longer term than other available financings and may either be repaid or assumed by a buyer at the buyer's option. As a result of these advantageous terms, the financing provided by the PID is the most beneficial means of financing the Authorized Improvements.

Each owner of the Assessed Property has or will ratify, confirm, accept, agree to and approve: (i) the determinations and finding by the Town Council as to the special benefits described in this Service and Assessment Plan and each Assessment Ordinance; (ii) the Service and Assessment Plan and each Assessment Ordinance, and (iii) the levying of Assessments on the Assessed Property. Use of the Assessed Property as described in this Service and Assessment Plan and as authorized by the PID Act requires that Authorized Improvements be acquired, constructed, installed, and/or improved. Funding the Actual Costs of the Authorized Improvements through the PID has been determined by the Town Council to be the most beneficial means of doing so. As a result, the Authorized Improvements result in a special benefit to the Assessed Property, and this special benefit exceeds the amount of the Assessment. This conclusion is based on and supported by the evidence, information, and testimony provided to the Town Council.

In summary, the Authorized Improvements result in a special benefit to the Assessed Property for the following reasons:

1. The Authorized Improvements are being provided specifically for the use of the Assessed Property, are necessary for the proposed best use of the property and provide a special benefit to the Assessed Property as a result;
2. The Developer has consented to the imposition of the Assessments for the purpose of providing the Authorized Improvements and the Developer is acting in its interest by consenting to this imposition;
3. The highest and best use of the Assessed Property is the use of the Assessed Property that is most valuable (including any costs associated with the use of the Assessed Property);
4. Financing of the costs of the Authorized Improvements through the PID is determined to be the most beneficial means of providing for the Authorized Improvements and,
5. As a result, the special benefit to the Assessed Property from the Authorized Improvements will be equal to or greater than the Assessments.

### **C. ASSESSMENT METHODOLOGY**

The costs of the Authorized Improvements may be assessed by the Town Council against the Assessed Property so long as the special benefit conferred upon the Assessed Property by the

Authorized Improvements equals or exceeds the Assessments. The costs of the Authorized Improvements may be assessed using any methodology that results in the imposition of equal shares of the Actual Costs on Assessed Property similarly benefited.

#### *1. Assessment Methodology for the Authorized Improvements*

For purpose of this Service and Assessment Plan, the Town Council has determined that the Budgeted Costs of the Initial Authorized Improvements and Additional Authorized Improvements to be financed with the Series 2022 PID Bonds and the Additional Authorized Improvements Reimbursement Agreement, respectively, shall be allocated to the Assessed Property by spreading the entirety of each Assessment across the Parcels based on the estimated Equivalent Units anticipated to be developed on each Parcel within the PID.

Based on the Budgeted Costs of the Initial Authorized Improvements and Additional Authorized Improvements, as set forth in Table III-A, the Town Council has determined that the benefit to the Assessed Property of the Authorized Improvements is at least equal to the Assessments levied on the Assessed Property.

Upon subsequent divisions of any Parcel, the Assessment applicable to it will then be apportioned pro rata based on the estimated Equivalent Units of each newly created Parcel. For residential Lots, when final residential building sites are platted, Assessments will be apportioned proportionately among each Parcel based on the ratio of the estimated Equivalent Units at the time residential Lots are platted to the total estimated Equivalent Units of all Lots in the platted Parcel, as calculated and shown in Appendix F using the types, number and average home value of Lots anticipated to be developed on each Parcel.

The Assessment and Annual Installments for each Parcel or Lot located within the PID is shown on the Assessment Roll, attached as Appendix G and Appendix H, and no Assessment shall be changed except as authorized by this Service and Assessment Plan or the PID Act.

### **D. ASSESSMENTS**

The Assessments have been levied on each Parcel according to the Assessment Rolls, attached hereto as Appendix G and Appendix H. The Annual Installments of the Assessments will be collected at the time and in the amounts shown on the Assessment Rolls, subject to any revisions made during an Annual Service Plan Update. The combined projected Annual Installments expected to be collected from the Assessed Property is included in this Service and Assessment Plan as Appendix I.

See Appendix F for Assessment per unit, leverage, and estimated tax rate equivalent calculation details.

### **E. ADMINISTRATIVE EXPENSES**

The cost of administering the PID and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of Assessment levied against the Parcel. The

Administrative Expenses shall be collected as part of and in the same manner as Annual Installments in the amounts shown on the Assessment Rolls, which may be revised based on actual costs incurred in Annual Service Plan Updates.

#### **F. ADDITIONAL INTEREST RESERVE**

Pursuant to the PID Act, the interest rate for Assessments levied for the Initial Authorized Improvements may exceed the actual interest rate per annum paid on the related Series 2022 PID Bonds by no more than one half of one percent (0.50%) (the “Additional Interest”). The interest rate used to determine the Assessments levied for the Initial Authorized Improvements is one half of one percent (0.50%) per annum higher than the actual rate paid on the Series 2022 PID Bonds, with the Additional Interest Component of the Annual Installments allocated to fund a reserve to be used for paying interest associated with a prepayment and to offset any possible delinquency related costs (the “Additional Interest Reserve”). The Additional Interest Reserve shall be funded until it reaches 5.50% of the outstanding Series 2022 PID Bonds unless otherwise stipulated in the Series 2022 PID Bond documents. Once the Additional Interest Reserve is funded in full, the Town may allocate the Additional Interest Component of the Annual Installments as provided in the applicable Trust Indenture. No Additional Interest will be collected on any portion of an Assessment which secures a reimbursement obligation, including the obligation created under the Additional Authorized Improvements Reimbursement Agreement, and not a series of Bonds.

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## ***VI. TERMS OF THE ASSESSMENTS***

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### **A. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN THE PID**

The Assessment and Annual Installments for each Assessed Property located within the PID is shown on the Assessment Roll – Initial Authorized Improvements and Assessment Roll – Additional Authorized Improvements, attached as Appendix G and Appendix H, respectively, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected from the Assessed Property in an amount sufficient to pay (i) principal and interest on the Series 2022 PID Bonds, (ii) principal and interest on the Additional Authorized Improvements Reimbursement Agreement, (iii) to fund the Additional Interest Reserve described in Section V, related to the Series 2022 PID Bonds, and (iv) to pay Administrative Expenses related to the PID. The Annual Installment for each Parcel in the PID shall be calculated by taking into consideration any available capitalized interest applicable to the Parcel.

### **B. REALLOCATION OF ASSESSMENTS**

#### **1. Subdivision**

Upon the subdivision of any Parcel, the Assessment for the Parcel prior to the subdivision shall be reallocated among the new subdivided Parcels according to the following formula:

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

Where the terms have the following meanings:

- A = the Assessment for each new subdivided Parcel
- B = the Assessment for the Parcel prior to subdivision
- C = the estimated total Equivalent Units to be built on each new subdivided Parcel
- D = the sum of the estimated total Equivalent units to be built on all of the new subdivided Parcels

The calculation of the estimated Equivalent Units to be built on a Parcel shall be performed by the Administrator and confirmed by the Town Council based on the information available regarding the use of the Parcel. The estimate as confirmed shall be conclusive. The number of Equivalent Units to be built on a Parcel may be estimated by net land area and reasonable density ratios.

The sum of the Assessments for all newly subdivided Parcels shall equal the Assessment for the Parcel prior to subdivision. The calculation shall be made separately for each newly subdivided Parcel. The reallocation of an Assessment for a Parcel that is a homestead under Texas law may not exceed the Assessment prior to the reallocation and to the extent the reallocation would exceed



such amount, it shall be prepaid by such amount by the party requesting the subdivision of the Parcels. Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the Town Council.

## **2. Consolidation**

Upon the consolidation of two or more Parcels, the Assessment for the consolidated Parcel shall be the sum of the Assessments for the Parcels prior to consolidation. The reallocation of an Assessment for a Parcel that is a homestead under Texas law may not exceed the Assessment prior to the reallocation and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the consolidation of the Parcels. Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the Town Council.

### **C. MANDATORY PREPAYMENT OF ASSESSMENTS**

1. If a Parcel subject to Assessments is transferred to a party that is exempt from the payment of the Assessment under applicable law, or if an owner causes a Parcel subject to Assessments to become Non-Benefited Property, the owner of such Parcel shall pay to the Town the full amount of the principal portion of the Assessment on such Parcel, plus all Prepayment Costs, prior to any such transfer or act.
2. If at any time the Assessment Per unit on a Parcel exceeds the applicable Maximum Assessment Per Unit shown in this Service and Assessment Plan as a result of any changes in land use, subdivision, consolidation or reallocation of the Assessment authorized by this Service and Assessment Plan and initiated by the owner of the Parcel, then such owner shall pay to the Town prior to the recordation of the document subdividing the Parcel the amount calculated by the Administrator by which the Assessment per unit for the Parcel exceeds the applicable Maximum Assessment Per Unit calculated in this Service and Assessment Plan.
3. The payments required above shall be treated the same as any Assessment that is due and owing under the PID Act, the Assessment Ordinance, and this Service and Assessment Plan, including the same lien priority, penalties, procedures, and foreclosure specified by the PID Act.

### **D. REDUCTION OF ASSESSMENTS**

1. If after all Initial Authorized Improvements and Additional Authorized Improvements to be funded with a series of the Series 2022 PID Bonds and/or the Additional Authorized Improvements Reimbursement Agreement, respectively, have been completed and Actual Costs for such Initial Authorized Improvements and Additional Authorized Improvements are less than the Budgeted Costs of the Initial Authorized Improvements and Additional Authorized Improvements used to calculate the Assessments securing such Series 2022 PID Bonds and/or the Additional Authorized Improvements Reimbursement Agreement, respectively, resulting in excess Series 2022 PID Bond proceeds being available to redeem Series 2022 PID Bonds and/or a need to reduce the obligation under the Additional Authorized

Improvements Reimbursement Agreement, as the case may be, and such excess Series 2022 PID Bond proceeds shall be applied to redeem Series 2022 PID Bonds as provided in the Indenture, or to reduce the obligation under the Additional Authorized Improvements Reimbursement Agreement, as provided in the Additional Authorized Improvement Reimbursement Agreement, then the Assessment securing such Series 2022 PID Bonds and/or Additional Authorized Improvements Reimbursement Agreement, for each Parcel of Assessed Property shall be reduced by the Town Council pro rata such that the sum of the resulting reduced Assessments for all Assessed Properties equals the actual reduced Actual Costs. The Assessments shall not be reduced to an amount less than the related outstanding Series 2022 PID Bonds and/or obligation under the Additional Authorized Improvements Reimbursement Agreement, respectively. If all of the Initial Authorized Improvements and Additional Authorized Improvements are not completed, the Town may reduce the Assessments in another method if it determines such method would better reflect the benefit received by the Parcels from the Initial Authorized Improvements and Additional Authorized Improvements completed.

2. If all the Initial Authorized Improvements and Additional Authorized Improvements are not undertaken, resulting in excess Series 2022 PID Bond proceeds being available to redeem Series 2022 PID Bonds and/or a need to reduce the obligations under the Additional Authorized Improvements Reimbursement Agreement, respectively, then the Assessments and Annual Installments for each Parcel shall be appropriately reduced by the Town Council to reflect only the amounts required to repay the Series 2022 PID Bonds and/or repay obligations under the Additional Authorized Improvements Reimbursement Agreement, respectively, including interest on the Bonds and Administrative Expenses, and, in such event, any such excess bond proceeds shall be applied to redeem Series 2022 PID Bonds. The Town Council may reduce the Assessments and the Annual Installments for each Parcel (i) in an amount that represents the Initial Authorized Improvements and Additional Authorized Improvements provided for each Parcel or (ii) by an equal percentage calculated based on number of units, if determined by the Town Council to be the most fair and practical means of reducing the Assessments for each Parcel such that the sum of the resulting reduced Assessments equals the amount required to repay the Series 2022 PID Bonds and/or repay obligations under the Additional Authorized Improvements Reimbursement Agreement, respectively, including interest on the Bonds thereon and Administrative Expenses. The principal portion of the Assessment for each Parcel shall be reduced pro rata to the reduction in the Assessments for each Parcel such that the sum of the resulting reduced principal portion of the Series 2022 PID Bonds and/or obligations under the Additional Authorized Improvements Reimbursement Agreement, respectively, is equal to the outstanding principal amount of the Bonds and/or the amounts outstanding under the Additional Authorized Improvements Reimbursement Agreement, respectively.

## **E. PAYMENT OF ASSESSMENTS**

### **1. Payment in Full**

- (a) The Assessment for any Parcel may be paid in full at any time. Such payment shall include all Prepayment Costs. If prepayment in full will result in redemption of Bonds, the payment amount shall be reduced by the amount, if any, of interest through the date of redemption of

Bonds and reserve funds applied to the redemption under the Trust Indenture, net of any other costs applicable to the redemption of Bonds.

- (b) If an Annual Installment has been billed prior to payment in full of an Assessment, the Annual Installment shall be due and payable and shall be credited against the payment-in-full amount.
- (c) Upon payment in full of the Assessment and all Prepayment Costs, the Town shall deposit the payment in accordance with the Trust Indenture and/or account of the Additional Authorized Improvements Reimbursement Agreement, respectively; whereupon, the Assessment shall be reduced to zero, and the owner's obligation to pay the Assessment and Annual Installments thereof shall automatically terminate. For purposes of Prepayments of the Assessments levied against the Additional Authorized Improvements, the obligation created under the Additional Authorized Improvements Reimbursement Agreement is and will remain subordinated to the portion of the Series 2022 PID Bonds.
- (d) At the option of the owner, the Assessment on any Parcel plus Prepayment Costs may be paid in part in an amount sufficient to allow for a convenient redemption of Bonds as determined by the Administrator. Upon the payment of such amounts for a Parcel, the Assessment for the Parcel shall be reduced, the Assessment Rolls shall be updated to reflect such partial payment, and the obligation to pay the Annual Installment for such Parcel shall be reduced to the extent the partial payment is made.

## **2. Payment in Annual Installments**

The PID Act provides that an Assessment for a Parcel may be paid in full at any time. If not paid in full, the PID Act authorizes the Assessment to be paid in installments and additionally allows the Town to collect interest, administrative expenses and other authorized charges in installments. An Assessment for a Parcel that is not paid in full will be collected in Annual Installments each year in the amounts shown on the Assessment Rolls, as updated as provided for herein, which include interest, Administrative Expenses, and payments required for the Additional Interest Reserve. Payment of the Annual Installments to be collected in connection with the Initial Authorized Improvements shall commence with tax bills mailed after the issuance of the Bonds. Payment of Annual Installments to be collected in connection with the Additional Authorized Improvements shall commence with the tax bills mailed in or about September of 2024.

### **Initial Authorized Improvements**

Each Assessment levied against the Assessed Property shall be paid with interest of no more than the actual interest rate paid on the Series 2022 PID Bonds and Additional Interest; the Assessment Roll – Initial Authorized Improvements sets forth for each year the Annual Installment for each parcel based on an interest rate of 3.25% for years 1 through 6 (2022-2027), 3.50% for years 7 through 11 (2028-2032), 3.75% for years 12 through 21 (2033-2042), and 4.00% for years 22 through 30 (2043-2051) on the Series 2022 PID Bonds and Additional Interest at the rate of 0.5% for the Additional Interest Reserve. Furthermore, the Annual Installments may not exceed the amounts shown on the Assessment Roll – Initial Authorized Improvements, as shown in Appendix G.

The Annual Installments shall be reduced to equal the Actual Costs of repaying the Series 2022 PID Bonds and actual Administrative Expenses (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as interest income on account balances.

The Town reserves and shall have the right and option to refund the Series 2022 PID Bonds in accordance with Section 372.027 of the PID Act. In the event of such refunding, the Administrator shall recalculate the Annual Installments, and if necessary, may adjust, or decrease, the amount of the Annual Installments so that total Annual Installments of Assessments will be produced in annual amounts that are required to pay the refunding bonds when due and payable as required by and established in the ordinance and/or the indenture authorizing and securing the refunding bonds, and such refunding bonds shall constitute Bonds for purposes of this Service and Assessment Plan.

#### Additional Authorized Improvements

Each Assessment levied against the Assessed Property for the Additional Authorized Improvements shall be paid with an interest rate of no more than the actual interest rate paid on the Additional Authorized Improvements Reimbursement Agreement. Interest on the Additional Authorized Improvements Reimbursement Agreement shall be paid based on an interest rate of 5.77% per annum for years 1 through 5 and 5.77% per annum following the fifth Annual Installment. The interest on the Additional Authorized Improvements Reimbursement Agreement shall be paid at a rate not to exceed five hundred basis points (5.00%) above the highest average index rate for tax-exempt bond reported in a daily or weekly bond index approved by the Town and reported in the month prior to the establishment of the Assessments securing such portion of the Additional Authorized Improvements Reimbursement Agreement and continuing for a period of five years from such date. Such rate shall then adjust and shall not exceed two hundred basis points (2.00%) above the bond index rate described above and shall continue until the Assessments are paid in full. The index approved by the Town is the *Bond Buyer Index* for which the highest average rate during the previous thirty days prior to the levy of Assessments on the Assessed Property securing the Additional Authorized Improvements Reimbursement Agreement was 3.77%. The Town has determined that the Additional Authorized Improvements Reimbursement Agreement shall bear interest at the interest rate of 5.77% per annum for years 1 through 5 and 5.77% per annum following the fifth Annual Installment, which rates are equal to or less than the initial maximum allowable rate of interest of 8.67% for years 1 through 5 and equal to the maximum allowable rate of interest following the fifth Annual Installment, which would be 5.77%. Furthermore, the Annual Installments of the Assessments levied against the Assessed Property for the Additional Authorized Improvements may not exceed the amounts shown on the Assessment Roll – Additional Authorized Improvements. The Assessment Roll – Additional Authorized Improvements, is shown as Appendix H.

The Annual Installments shall be reduced to equal the Actual Costs of repaying the Additional Authorized Improvements Reimbursement Agreement and actual Administrative Expenses (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as interest income on account balances.

## **F. COLLECTION OF ANNUAL INSTALLMENTS**

No less frequently than annually, the Administrator shall prepare, and the Town Council shall consider, 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 a calculation of the Annual Installment for each Parcel. Administrative Expenses shall be allocated among Parcels in proportion to the amount of the Annual Installments for the Parcels. Each Annual Installment shall be reduced by any credits applied under the applicable Trust Indenture, including capitalized interest, interest earnings on any account balances, and any other funds available to the Trustee for such purpose, and including any existing deposits to a prepayment reserve. Annual Installments shall be collected by the Town in the same manner and at the same time as ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the Town. The Town Council may provide for other means of collecting the Annual Installments to the extent permitted under the PID Act. The Assessments shall have lien priority as specified in the Act.

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

### *Initial Authorized Improvements*

Each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be updated annually. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year. Collection of the initial Annual Installments relating to the Initial Authorized Improvements that benefit the Assessed Property will be due when billed, and will be delinquent if not paid prior to the first February 1 following the earlier of (i) the recording of a final subdivision plat in the official public records of the County for the Assessed Property, (ii) upon issuance of the Series 2022 PID Bonds, or (iii) the second anniversary of the date of levy of the Assessment.

### *Additional Authorized Improvements*

Each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be updated annually. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year. Collection of the initial Annual Installments relating to the Additional Authorized Improvements that benefit the Assessed Property will be due when billed, and will be delinquent if not paid prior to the first February 1 following the earlier of (i) the recording of a final subdivision plat in the official public records of the County for the Assessed Property, (ii) upon issuance of the Bonds, if any, or (iii) September 1, 2024.

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## ***VII. THE ASSESSMENT ROLL***

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### **A. ASSESSMENT ROLL – INITIAL AUTHORIZED IMPROVEMENTS**

The Town Council has evaluated each Parcel in the PID based on numerous factors such as the applicable zoning for developable area, the use of proposed Homeowner Association Property, the Public Property, the types of Initial Authorized Improvements, and other development factors deemed relevant by the Town Council to determine the amount of Assessed Property within the PID.

The Assessed Property has been assessed for the special benefits conferred upon the property resulting from the Initial Authorized Improvements. Table VII-A summarizes the \$5,314,006 in special benefit received by the Assessed Property from the Initial Authorized Improvements, including costs of PID formation and the Series 2022 PID Bonds issuance costs. The par amount of the Series 2022 PID Bonds is \$4,650,000 which is less than the benefit received by the Assessed Property. Accordingly, the total Assessment to be applied to all the Assessed Property is \$4,650,000, plus the Additional Interest Component and annual Administrative Expenses. The Assessment for each Assessed Property is calculated based on the allocation methodologies described in Section V.C. The Assessment Roll – Initial Authorized Improvements is attached hereto as Appendix G.

**Table VII-A**  
**Special Benefit Summary – Initial Authorized Improvements**

<b>Special Benefit</b>	<b>Total Cost</b>
Total Initial Authorized Improvements <sup>(1)</sup>	\$4,285,678
Plus: original issue discount	\$19,098
<b>Subtotal</b>	<b>\$4,304,776</b>
<b><u>Bond Issuance Costs:</u></b>	
Cost of issuance	\$265,150
Capitalized interest	\$286,562
Reserve fund	\$278,018
Administrative expense	\$40,000
Underwriter's discount	\$139,500
<b>Subtotal Bond Issuance Costs</b>	<b>\$1,009,229</b>
<b>Total Special Benefit</b>	<b>\$5,314,006</b>
<b><u>Special Benefit:</u></b>	
Total Special Benefit	\$5,314,006
Projected Special Assessment	\$4,650,000
<b>Excess Benefit</b>	<b>\$664,006</b>

<sup>(1)</sup>See Table III-A for details.



## B. ASSESSMENT ROLL – ADDITIONAL AUTHORIZED IMPROVEMENTS

The Town Council has evaluated each Parcel in the PID based on numerous factors such as the applicable zoning for developable area, the use of proposed Homeowner Association Property, the Public Property, the types of Additional Authorized Improvements, and other development factors deemed relevant by the Town Council to determine the amount of Assessed Property within the PID.

The Assessed Property has been assessed for the special benefits conferred upon the property resulting from the Additional Authorized Improvements. Table VII-B summarizes the \$1,024,500 in special benefit received by the Assessed Property from the Additional Authorized Improvements. The Assessment levied under the Additional Authorized Improvements Reimbursement Agreement is \$350,000 which is less than the benefit received by the Assessed Property. Accordingly, the total Assessment to be applied to all the Assessed Property is \$350,000, plus the annual Administrative Expenses. The Assessment for each Assessed Property is calculated based on the allocation methodologies described in Section V.C. The Assessment Roll – Additional Authorized Improvements is attached hereto as Appendix H.

**Table VII-B**  
**Special Benefit Summary – Additional Authorized Improvements**

<b>Special Benefit</b>	<b>Total Cost</b>
Total Additional Authorized Improvements <sup>(1)</sup>	\$990,000
<b><u>Other soft and miscellaneous costs</u></b>	
Soft and miscellaneous costs	\$34,500
<b>Total Special Benefit</b>	<b>\$1,024,500</b>
<b><u>Special Benefit:</u></b>	
Total Special Benefit	\$1,024,500
Projected Special Assessment	\$350,000
<b>Excess Benefit</b>	<b>\$674,500</b>

<sup>(1)</sup>See Table III-A for details.

## C. ANNUAL ASSESSMENT ROLL UPDATES

The Administrator shall prepare, and shall submit to the Town Council for approval, annual updates to the Assessment Roll – Initial Authorized Improvements and Assessment Roll – Additional Authorized Improvements in conjunction with the Annual Service Plan Update to reflect the following matters, together with any other changes helpful to the Administrator or the Town and permitted by the PID Act: (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 and 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 VI.E. of this Service and Assessment Plan.

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## ***VIII. MISCELLANEOUS PROVISIONS***

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### **A. ADMINISTRATIVE REVIEW**

The Town may elect to designate a third party to serve as Administrator. The Town shall notify Developer in writing at least thirty (30) days in advance before appointing a third party Administrator.

To the extent consistent with the PID Act, an owner of an Assessed Parcel claiming that a calculation error has been made in the Assessment Roll(s), including the calculation of the Annual Installment, shall send a written notice describing the error to the Town not later than thirty (30) days after the date any amount which is alleged to be incorrect is due prior to seeking any other remedy. The Administrator shall promptly review the notice, and if necessary, meet with the Assessed Parcel owner, consider written and oral evidence regarding the alleged error and decide whether, in fact, such a calculation error occurred.

If the Administrator determines that a calculation error has been made and the Assessment Roll should be modified or changed in favor of the Assessed Parcel owner, such change or modification shall be presented to the Town Council for approval to the extent permitted by the PID Act. A cash refund may not be made for any amount previously paid by the Assessed Parcel owner (except for the final year during which the Annual Installment shall be collected or if it is determined there are sufficient funds to meet the expenses of the PID for the current year), but an adjustment may be made in the amount of the Annual Installment to be paid in the following year. The decision of the Administrator regarding a calculation error relating to an Assessment Roll may be appealed to the Town Council. Any amendments made to the Assessment Roll(s) pursuant to calculation errors shall be made pursuant to the PID Act.

The decision of the Administrator, or if such decision is appealed to the Town Council, the decision of the Town Council shall be conclusive as long as there is a reasonable basis for such determination. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to any other appeal or legal action by such owner.

### **B. TERMINATION OF ASSESSMENTS**

Each Assessment shall be extinguished on the date the Assessment is paid in full, including unpaid Annual Installments and Delinquent Collection Costs, if any. After the extinguishment of an Assessment and the collection of any delinquent Annual Installments and Delinquent Collection Costs, the Town shall provide the owner of the affected Parcel a recordable “Notice of the PID Assessment Termination”.

### **C. AMENDMENTS**

Amendments to the Service and Assessment Plan can be made as permitted or required by the PID Act and under Texas law.

The Town Council reserves the right to the extent permitted by the PID Act to amend this Service and Assessment Plan without notice under the PID Act and without notice to property owners of Parcels:

*(i) to correct mistakes and clerical errors; (ii) to clarify ambiguities; (iii) to provide procedures for the collection and enforcement of Assessments, Prepayment Costs, Collection Costs, and other charges imposed by the Service and Assessment Plan, and (iv) as may be required by the Attorney General of Texas in connection with the issuance of any series of Bonds.*

#### **D. ADMINISTRATION AND INTERPRETATION OF PROVISIONS**

The Town Council shall administer the PID, this Service and Assessment Plan, and all Annual Service Plan Updates consistent with the PID Act and shall make all interpretations and determinations related to the application of this Service and Assessment Plan unless stated otherwise herein or in the Trust Indenture, such determination shall be conclusive.

#### **E. SEVERABILITY**

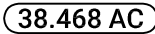
If any provision, section, subsection, sentence, clause or phrase of this Service and Assessment Plan or the application of same to an Assessed Parcel or any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Service and Assessment Plan or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the Town Council in adopting this Service and Assessment Plan that no part hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other part hereof, and all provisions of this Service and Assessment Plan are declared to be severable for that purpose.

If any provision of this Service and Assessment Plan is determined by a court to be unenforceable, the unenforceable provision shall be deleted from this Service and Assessment Plan and the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the Town.

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**APPENDIX A**  
**PID MAP**

(VARIABLE WIDTH R.O.W.)  
STATE OF TEXAS  
VOL. 310, PG. 599 RPRDCT



SITUATED IN THE  
MARCELLA JONES SURVEY,  
ABSTRACT NO. 662  
TOWN OF LITTLE ELM,  
DENTON COUNTY, TEXAS



PAGE 3 OF 3




●	POINT FOR CORNER
○	MONUMENT FOUND
AC	ACRES
IRF	IRON ROD FOUND
CIRF	CAPPED IRON ROD FOUND
COE	ARMY CORPS OF ENGINEERS MONUMENT FOUND
R.O.W	RIGHT-OF-WAY
VOL., PG.	VOLUME, PAGE
INST. NO.	INSTRUMENT NUMBER
RPRDCT	REAL PROPERTY RECORDS DENTON COUNTY, TEXAS

The bearings shown and recited hereon are referenced to the Texas Coordinate System of 1983 ~ North Central Zone No. 4202 - NAD 83. (All distances are surface distances with a surface to grid scale factor of 0.999849393).




S:\2019\2019017-E Spiritas Ranch East\CAD\EXHIBITS\201901700LP32cSpiritasEastPID10272021.dwg Nov 10, 2021 - 10:01 am - chancock



Spiritas East Ranch Concept Plan 2		
DATA    TABLE		
Gross Site Area:	43+/-	
Residential Product Type:	Total	
 40'x 130' Lot (Courtyard Lots)	28	
 40'x 115' Lot	89	
 50'x 370'(avg) Lot	29	
Total Lots	146	



**APPENDIX B**  
**BUDGETED COSTS OF AUTHORIZED IMPROVEMENTS**

<b>COMMUNITY NAME:</b> Spiritas Ranch		<b>GROSS ACREAGE:</b>	43.9
<b>PHASES:</b> East		<b>NET ACREAGE:</b>	28.9
<b>CITY OR TOWN:</b> Town of Little Elm, Denton County		<b>TOTAL LOTS:</b>	146
		<b>TOTAL DENSITY:</b>	5.05
		<b>LANDPLAN:</b>	2
		<b>CREATED BY:</b>	CH
		<b>REVIEWED BY:</b>	AB
		<b>CREATED:</b>	05/21/21
		<b>REVISED:</b>	01/19/24
<b>Direct Phase Costs</b>			
	Lot Count	<b>EAST PHASE</b>	<b>146</b>
1 Engineering		\$	266,209
2 Grading Site Preparation		\$	-
3 Water		\$	261,136
4 Sanitary Sewer		\$	494,200
5 Storm Drain		\$	561,241
6 Street Improvements		\$	1,087,602
7 Screening/Landscape Walls			
8 Ret Walls			
9 Dry Utilities			
10 Contingency 0%		\$	-
11 N/A			
	Total	\$	2,670,387
	Cost per Lot	\$	18,290
<b>Major Improvements Costs</b>			
	Lot Count	<b>EAST PHASE</b>	<b>146</b>
1 Engineering		\$	219,290
2 Grading Site Preparation		\$	-
3 Water		\$	161,000
4 Sanitary Sewer		\$	150,000
5 Storm Drain		\$	120,000
6 Street Improvements - Turn Lanes		\$	690,000
7 Screening/Landscape Walls			
8 Dry Utilities			
9 Common Area Amenities & Trails		\$	168,939
10 Contingency 0%		\$	-
11 District Formation Costs		\$	275,000
12 ROW Acreage <sup>5</sup>		\$	990,000
	Total	\$	2,774,230
	Cost per Lot	\$	19,002
		<b>PID TOTALS</b>	<b>\$ 5,444,618</b>
		<b>PID per lot</b>	<b>\$ 37,292</b>
<b>Private Costs</b>			
	Lot Count	<b>EAST PHASE</b>	<b>146</b>
1 Engineering		\$	214,324
2 Grading Site Preparation		\$	885,229
3 Water			
4 Sanitary Sewer			
5 Storm Drain			
6 Street Improvements			
7 Screening/Landscape Walls		\$	280,000
8 Ret Walls		\$	405,250
9 Dry Utilities		\$	146,000
10 Contingency 10%		\$	193,080
11 N/A			
	Total	\$	2,123,883
	Cost per Lot	\$	14,547
		<b>GRAND TOTALS</b>	<b>\$ 7,568,500</b>
		<b>GRAND TOTAL per lot</b>	<b>\$ 51,839</b>
		40' Cottage Lots	28
		40' Lots	89
		50' Lots	29
		Total Lots	146

**THIS OPINION OF PROBABLE COST WAS PREPARED BASED ON BEST AVAILABLE INFORMATION AND SHOULD BE USED FOR PROJECT**

**NOTES**

<sup>1</sup> Development cost does not include: City/District/County Fees, Bonds, & Permits

<sup>2</sup> Development cost does not include: Rock Excavation

<sup>3</sup> Professional Fees do not include: SWPPP Administration

<sup>4</sup> Unit costs in this OPC were provided to Barraza Consulting Group, LLC by RES

<sup>5</sup> Includes all ROW in Spiritas East

**APPENDIX C**  
**LEGAL DESCRIPTION**



**DESCRIPTION  
38.468 ACRE TRACT**

BEING that certain tract of land situated in the Marsella Jones Survey, Abstract No. 662, in the Town of Little Elm, Denton County, Texas, and being part of that certain tract of land described in deed to Robert G. Penley recorded in Volume 623, Page 106, of the Real Property Records of Denton County, Texas (RPRDCT), and part of that certain tract of land described in deed to Robert G. Penley and Faith Penley recorded in Volume 2210, Page 648, RPRDCT, and being more particularly described by metes and bounds as follows:

BEGINNING at a Army Corps of Engineers monument found at the northeast corner of said Robert G. Penley tract recorded in Volume 623, Page 106, RPRDCT, said monument being located on the south right-of-way line of US Highway 380 (a variable-width right-of-way), and also being located on the west "take line" of Lake Lewisville;

THENCE with said west "take line", the following courses to Army Corps of Engineers monuments found:

South 27°07'16" West, a distance of 875.52 feet;

South 40°18'51" West, a distance of 544.09 feet;

South 09°54'29" East, a distance of 217.10 feet;

South 57°22'24" West, a distance of 298.04 feet;

North 82°50'29" West, a distance of 641.93 feet;

North 05°25'44" East, a distance of 396.40 feet;

And South 42°17'36" West, a distance of 385.19 feet, said monument being located on the east line of that certain tract of land described in deed to MM Little Elm 548, LLC recorded in Instrument No. 2020-123025, RPRDCT;

THENCE with said east line, the following courses:

North 05°42'19" East, a distance of 621.88 feet to a 5/8" iron rod found;

And South 88°08'15" East, a distance of 170.04 feet to a 5/8" capped iron rod found;

THENCE North 03°11'21" East, continuing with said east line of the MM Little Elm 548, LLC tract, and the east line of that certain tract of land described in deed to Spiritas Ranch Enterprises recorded in Volume 2737, Page 126, RPRDCT, a distance of 653.60 feet;

THENCE departing said east line of the Spiritas Ranch Enterprises tract, and over and across said Robert G. Penley tract recorded in Volume 623, Page 106, RPRDCT, the following courses:

South 84°22'49" East, a distance of 502.60 feet;

And North 05°15'54" East, a distance of 200.74 feet to a point located in said south right-of-way line of US Highway 380;

THENCE South 84°36'22" East, with said south right-of-way line of US Highway 380, a distance of 80.00 feet;

THENCE departing said south right-of-way line of US Highway 380, the following courses:

South 05°15'54" West, a distance of 201.00 feet;

South 87°10'23" East, a distance of 514.31 feet;

And North 01°53'44" East, a distance of 209.31 feet to a point located on said south right-of-way line of US Highway 380;

THENCE South 88°16'39" East with said south right-of-way line of US Highway 380, a distance of 50.00 feet;

THENCE departing said south right-of-way line of US Highway 380, and over and across said Robert G. Penley tract recorded in Volume 623, Page 106, RPRDCT, the following courses:

South 01°53'44" West, a distance of 210.27 feet;

South 87°10'23" East, a distance of 52.86 feet;

North 41°38'43" East, a distance of 60.89 feet;

North 41°48'16" East, a distance of 45.80 feet;

North 43°25'46" East, a distance of 25.15 feet;

North 51°51'09" East, a distance of 24.67 feet;

North 54°02'19" East, a distance of 12.14 feet;

North 48°36'19" East, a distance of 10.43 feet;

North 37°47'16" East, a distance of 9.58 feet;

North 15°43'13" East, a distance of 5.97 feet;

North 12°02'26" East, a distance of 10.27 feet;

North 00°46'57" West, a distance of 14.90 feet;

North 11°51'34" West, a distance of 38.07 feet;

And North 14°47'27" West, a distance of 5.08 feet to a point located in said south right-of-way line of US Highway 380;

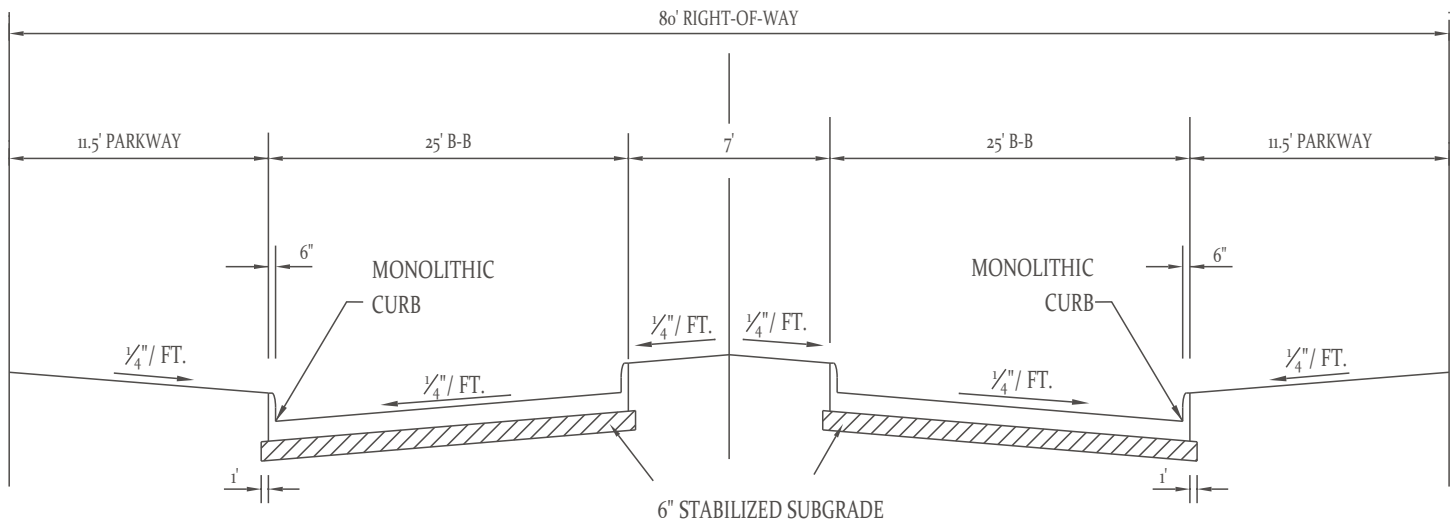
THENCE South 88°16'39" East with said south right-of-way line of US Highway 380, a distance of 233.52 feet to the POINT OF BEGINNING, containing an area of 38.468 acres of land.

#### NOTES:

The bearings shown and recited hereon are referenced to the Texas Coordinate System of 1983 ~ North Central Zone No. 4202 - NAD 83. (All distances are surface distances with a surface to grid scale factor of 0.999849393).

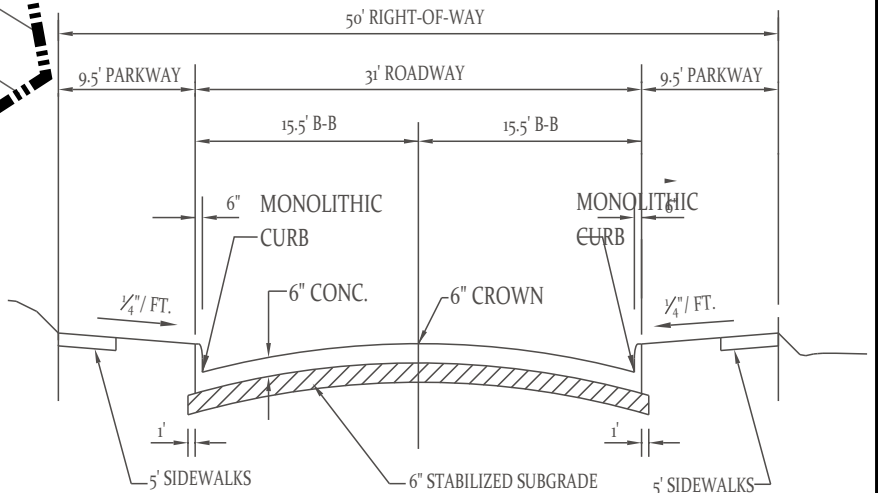
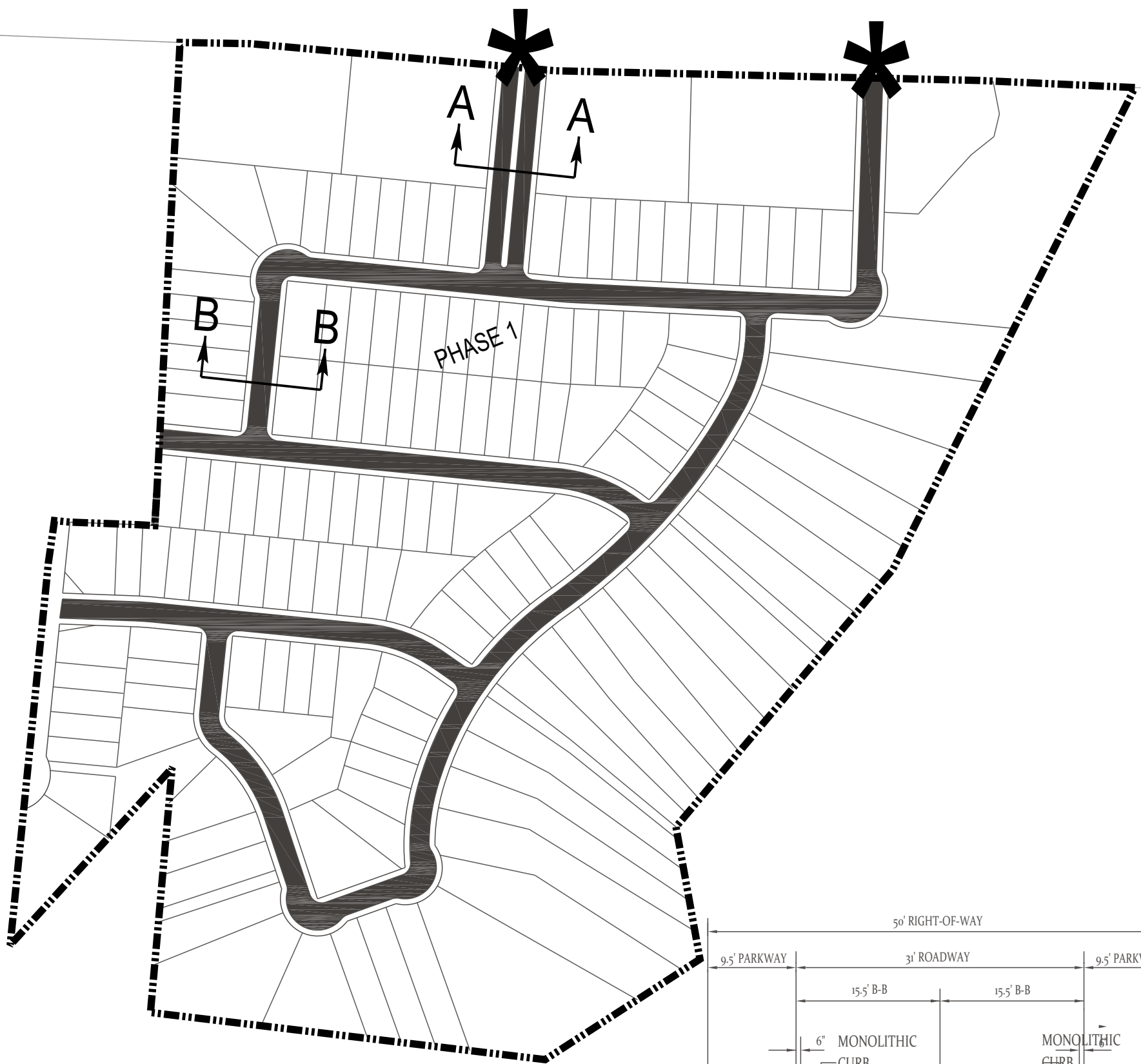
This document was prepared under 22 TAC Â§663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.

**APPENDIX D**  
**DIAGRAMS OF THE AUTHORIZED IMPROVEMENTS**



**A-A ROADWAY PAVING SECTION**  
SCALE: NTS

US HIGHWAY 380



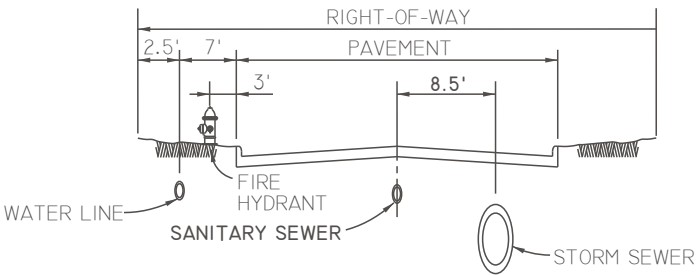
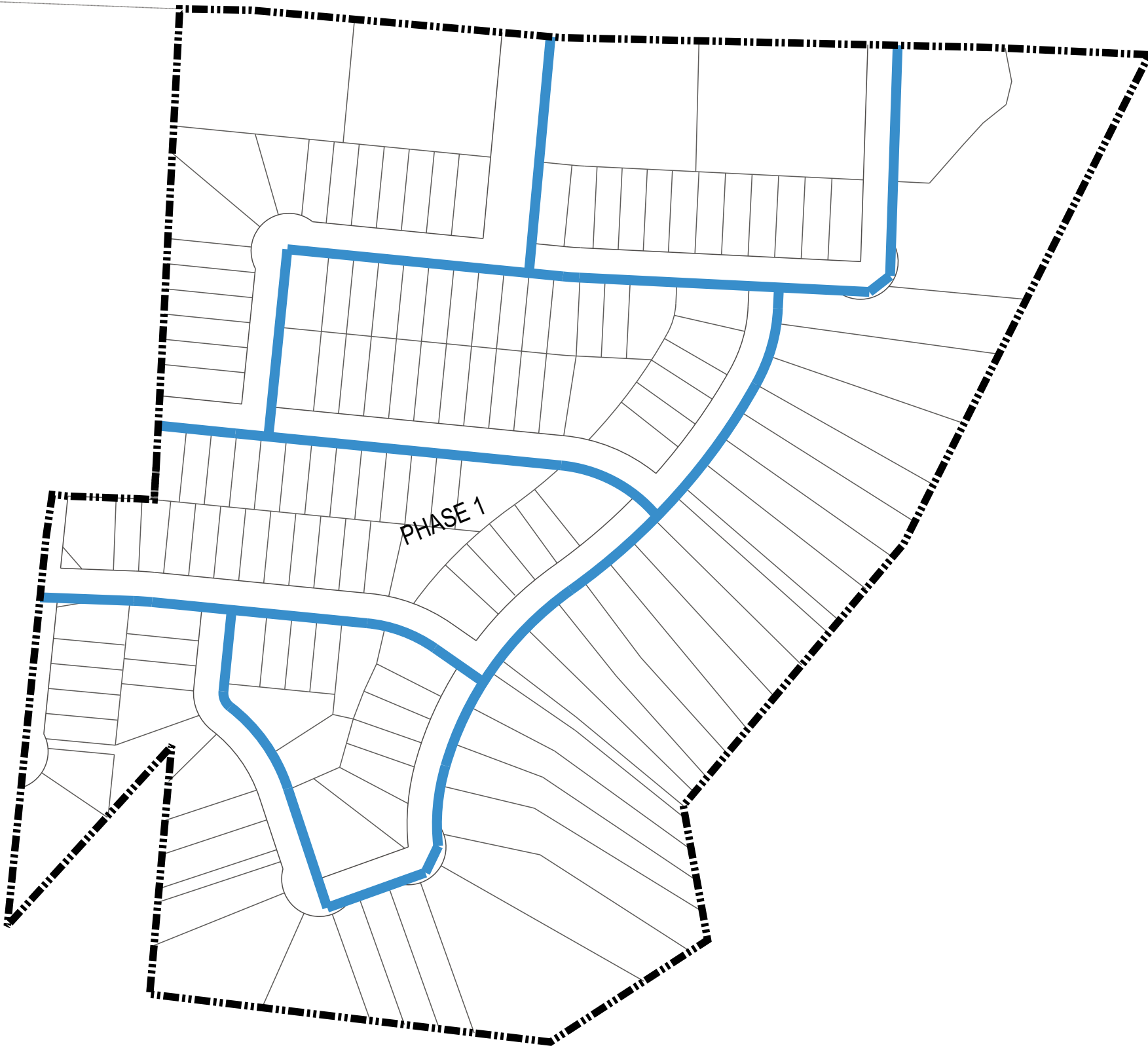
**TYPICAL 31' B-B ROADWAY PAVING SECTION**  
SCALE: NTS



PROPOSED TURN-LANE LOCATIONS

ROADWAY IMPROVEMENTS  
SPIRITAS EAST PUBLIC IMPROVEMENT DISTRICT  
TOWN OF LITTLE ELM, DENTON COUNTY, TEXAS

US HIGHWAY 380



TYPICAL WATER LOCATION  
N.T.S.

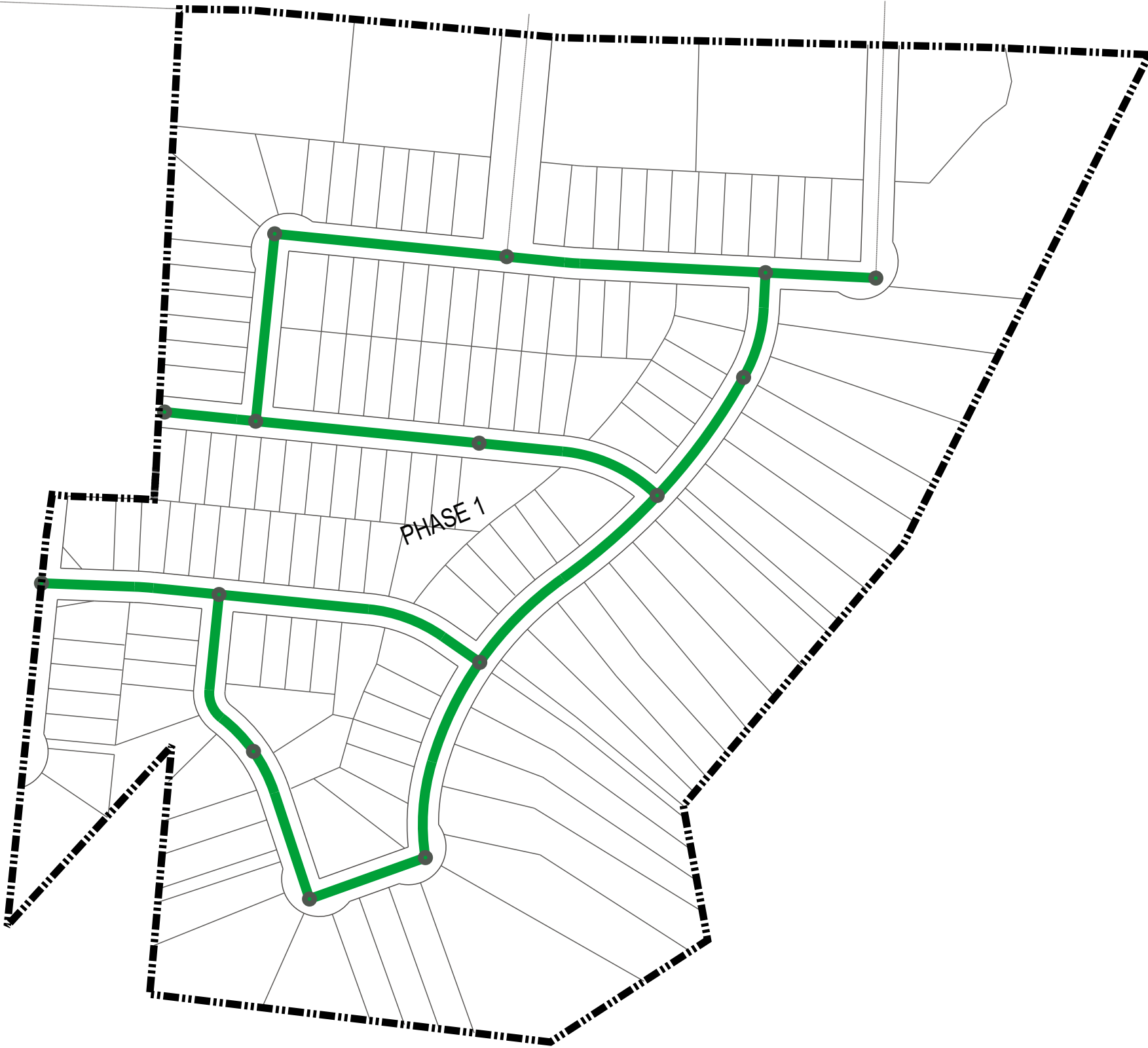
8" WATER LINE

NOTE:  
MAJOR WATER IMPROVEMENTS CONSIST OF 12" WATER TO  
SPIRITAS RANCH.

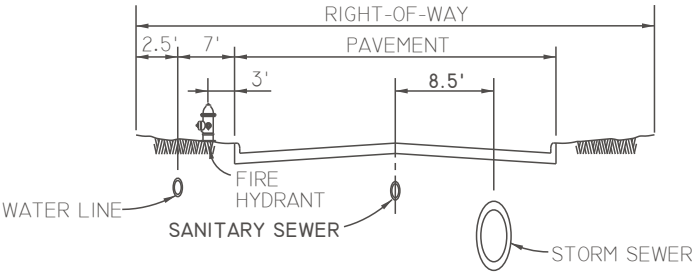
WATER IMPROVEMENTS  
SPIRITAS EAST PUBLIC IMPROVEMENT DISTRICT  
TOWN OF LITTLE ELM, DENTON COUNTY, TEXAS



US HIGHWAY 380



PHASE 1



TYPICAL SEWER LOCATION  
N.T.S.

SEWER LINE

NOTE:  
MAJOR SEWER IMPROVEMENTS CONSIST OF UPGRADING SPIRITAS  
RANCH LIFT STATION.

SEWER IMPROVEMENTS  
SPIRITAS EAST PUBLIC IMPROVEMENT DISTRICT  
TOWN OF LITTLE ELM, DENTON COUNTY, TEXAS

**APPENDIX E**  
**PID ASSESSMENT NOTICE**

AFTER RECORDING RETURN TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_]<sup>1</sup>

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO  
TOWN OF LITTLE ELM, TEXAS  
CONCERNING THE FOLLOWING PROPERTY

\_\_\_\_\_  
STREET ADDRESS

LOT TYPE \_\_\_\_\_ PRINCIPAL ASSESSMENT: \$ \_\_\_\_\_

As the purchaser of the real property described above, you are obligated to pay assessments to the Town of Little Elm, Texas (the "Town"), for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Spiritas East Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the Town. The exact amount of each annual installment will be approved each year by the Town Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the Town.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

\_\_\_\_\_  
<sup>1</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County.



[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF  
PURCHASER

\_\_\_\_\_  
SIGNATURE OF  
PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF SELLER

\_\_\_\_\_  
SIGNATURE OF SELLER]<sup>2</sup>

\_\_\_\_\_  
<sup>2</sup> To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF  
PURCHASER

\_\_\_\_\_  
SIGNATURE OF  
PURCHASER

STATE OF TEXAS                      §  
   §  
COUNTY OF DENTON               §

The foregoing instrument was acknowledged before me by \_\_\_\_\_ and \_\_\_\_\_, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

Notary Public, State of Texas]<sup>3</sup>

\_\_\_\_\_

<sup>3</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County.

The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF SELLER

\_\_\_\_\_  
SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF DENTON

§

The foregoing instrument was acknowledged before me by \_\_\_\_\_ and \_\_\_\_\_, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

Notary Public, State of Texas]<sup>4</sup>

\_\_\_\_\_  
<sup>4</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County.

**APPENDIX F**  
**ASSESSMENT PER UNIT, PROJECTED LEVERAGE AND PROJECTED TAX RATE**  
**EQUIVALENTS**

## **Appendix F**

For purposes of calculating and allocating the Assessments, the Assessed Property has been classified in one of two Lot Types.

“**Lot Type 1**” means lots identified as such on the Assessment Roll, being lots typically with a Lot width of approximately 50 feet.

“**Lot Type 2**” means lots identified as such on the Assessment Roll, being lots typically with a Lot width of approximately 40 feet.

### **A) Proposed Development**

Table F-1 shows the proposed residential units to be developed within the PID.

**Table F-1**  
**Proposed Development within the PID**

<b>Description</b>	<b>Proposed Development</b>	
Lot Type 1 (50 Ft)	29	Units
Lot Type 2 (40 Ft)	117	Units
<b>Total</b>	<b>146</b>	<b>Units</b>

### **B) Calculation of Equivalent Units**

As explained under Section V, for purpose of this Service and Assessment Plan, the Town Council has determined that the Budgeted Costs of the Authorized Improvements to be financed with the Bonds shall be allocated to the Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units.

For purposes of this Plan, the Town Council has determined that the Assessments shall be allocated to the Assessed Property on the basis of the average home value of each Lot Type, and that such method of allocation will result in the imposition of equal shares of the Assessments on Parcels similarly benefited. In determining the average home value of each Lot Type, the Town Council has taken into consideration (i) the type of lots (i.e., 50 Ft lots, 40 Ft lots, etc.); (ii) current and projected home prices; (iii) the costs of the Authorized Improvements, and (iv) the ability of different property types to utilize and benefit from the Authorized Improvements.

Having taken into consideration the matters described above, the Town Council has determined that allocating the Assessments among Parcels based on average home value is best accomplished by creating classifications of benefited Parcels based on the “Lot Types” defined above. These classifications (from Lot Type 1 (50 Ft Lots) representing the highest value to Lot Type 2 (40 Ft Lot) representing the lowest value for residential lots are set forth in Table F-2. Assessments are allocated to each Lot Type on the basis of the average home value for each class of lots. This is accomplished by giving each Lot Type an Equivalent Unit factor. Equivalent Units are the ratio

of the average value of lots within each assessment class, setting the Equivalent Unit factor for Lot Type 1 (50 Ft Lots) to 1.0.

**Table F-2**  
**Equivalent Unit Factors**

<b>Lot Type</b>	<b>Estimated Average Value</b>	<b>Equivalent Unit Factor</b>	
Lot Type 1 (50 Ft)	\$500,000	1.00	per dwelling unit
Lot Type 2 (40 Ft)	\$360,000	0.72	per dwelling unit

The total Equivalent Units for the PID are shown in Table F-3 as calculated based on the Equivalent Unit factors shown in Table F-2, estimated Lot Types and number of units estimated to be built within the PID.

**Table F-3**  
**Equivalent Units- PID**

<b>Description</b>	<b>Planned No. of Units</b>	<b>Equivalent Unit Factor</b>	<b>Total Equivalent Units</b>
Lot Type 1 (50 Ft)	29	1.00	29.00
Lot Type 2 (40 Ft)	117	0.72	84.24
<b>Total</b>	<b>146</b>		<b>113.24</b>

**C) Allocation of Assessments to Lots within the PID – Initial Authorized Improvements**

The total amount of the Series 2022 PID Bonds, which represents the total initial Assessment to be allocated on all Parcels within the PID, is \$4,650,000. As shown in Table F-3, there are a total of 113.24 Equivalent Units resulting in an Assessment per Unit of \$41,063.23 (i.e., \$4,650,000 ÷ 113.24 = \$41,063.23).

Table F-4 sets forth the initial Assessment per dwelling unit within the PID.

**Table F-4**  
**Assessment Per Unit – Initial Authorized Improvements**

<b>Description</b>	<b>Planned No. of Units</b>	<b>Assessment per Equivalent Unit</b>	<b>Equivalent Unit Factor</b>	<b>Assessment per Unit</b>	<b>Total Assessments</b>
Lot Type 1 (50 Ft)	29	\$41,063.23	1.00	\$41,063.23 per dwelling unit	\$1,190,834
Lot Type 2 (40 Ft)	117	\$41,063.23	0.72	\$29,565.52 per dwelling unit	\$3,459,166
<b>Total</b>	<b>146</b>				<b>\$4,650,000</b>

The projected leverage calculated based on the estimated land values, finished lot values and home values for each unit is shown in Table F-5.

**Table F-5**  
**Projected Leverage – Initial Authorized Improvements**

<b>Description</b>	<b>Planned No. of Units/1,000 GSF</b>	<b>Estimated Finished Lot Value per unit</b>	<b>Projected Home Value per unit</b>	<b>Assessment per Unit</b>	<b>Leverage (Lot Value)</b>	<b>Leverage (Home Value)</b>
Lot Type 1 (50 Ft)	29	\$130,000	\$500,000	\$41,063.23	3.17	12.18
Lot Type 2 (40 Ft)	117	\$80,000	\$360,000	\$29,565.52	2.71	12.18

The projected tax rate equivalent per unit calculated based on the estimated finished lot values and home values for each unit is shown in Table F-6.

**Table F-6**  
**Estimated Tax Rate Equivalent per unit – Initial Authorized Improvements**

<b>Description</b>	<b>Planned No. of Units</b>	<b>Estimated Finished Lot Value per unit</b>	<b>Projected Home Value per unit</b>	<b>Projected Average Annual Installment per unit</b>	<b>Tax Rate Equivalent (per \$100 Lot Value)</b>	<b>Tax Rate Equivalent (per \$100 Home Value)</b>
Lot Type 1 (50 Ft)	29	\$130,000	\$500,000	\$3,030.34	\$2.33	\$0.6061
Lot Type 2 (40 Ft)	117	\$80,000	\$360,000	\$2,181.85	\$2.73	\$0.6061

The Assessment and Annual Installments for each Parcel or Lot located within the PID, related to the Initial Authorized Improvements is shown on the Assessment Roll – Initial Authorized Improvements, attached as Appendix G, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

**D) Allocation of Assessments to Lots within the PID – Additional Authorized Improvements**

The total amount of the Additional Authorized Improvements Reimbursement Agreement, which represents the total additional Assessment to be allocated on all Parcels within the PID, is \$350,000. As shown in Table F-7, there are a total of 113.24 Equivalent Units resulting in an Assessment per Unit of \$3,090.78 (i.e., \$350,000 ÷ 113.24 = \$3,090.78).

Table F-7 sets forth the additional Assessment per dwelling unit within the PID.

**Table F-7**  
**Assessment Per Unit – Additional Authorized Improvements**

<b>Description</b>	<b>Planned No. of Units</b>	<b>Assessment per Equivalent Unit</b>	<b>Equivalent Unit Factor</b>	<b>Assessment per Unit</b>	<b>Total Assessments</b>
Lot Type 1 (50 Ft)	29	\$3,090.78	1.00	\$3,090.78 per dwelling unit	\$89,633
Lot Type 2 (40 Ft)	117	\$3,090.78	0.72	\$2,225.36 per dwelling unit	\$260,367
<b>Total</b>	<b>146</b>				<b>\$350,000</b>

The projected leverage calculated based on the estimated land values, finished lot values and home values for each unit is shown in Table F-8.

**Table F-8**  
**Projected Leverage – Additional Authorized Improvements**

<b>Description</b>	<b>Planned No. of Units/1,000 GSF</b>	<b>Estimated Finished Lot Value per unit</b>	<b>Projected Home Value per unit</b>	<b>Assessment per Unit</b>	<b>Leverage (Lot Value)</b>	<b>Leverage (Home Value)</b>
Lot Type 1 (50 Ft)	29	\$130,000	\$500,000	\$3,090.78	42.06	161.77
Lot Type 2 (40 Ft)	117	\$80,000	\$360,000	\$2,225.36	35.95	161.77

The projected tax rate equivalent per unit calculated based on the estimated finished lot values and home values for each unit is shown in Table F-9.

**Table F-9**  
**Estimated Tax Rate Equivalent per unit – Additional Authorized Improvements**

<b>Description</b>	<b>Planned No. of Units</b>	<b>Estimated Finished Lot Value per unit</b>	<b>Projected Home Value per unit</b>	<b>Projected Average Annual Installment per unit</b>	<b>Tax Rate Equivalent (per \$100 Lot Value)</b>	<b>Tax Rate Equivalent (per \$100 Home Value)</b>
Lot Type 1 (50 Ft)	29	\$130,000	\$500,000	\$446.58	\$0.34	\$0.0893
Lot Type 2 (40 Ft)	117	\$80,000	\$360,000	\$321.54	\$0.40	\$0.0893

The Assessment and Annual Installments for each Parcel or Lot located within the PID, related to the Additional Authorized Improvements is shown on the Assessment Roll – Additional Authorized Improvements, attached as Appendix H, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.



### **E) Allocation of Assessments to Lots within the PID – Combined**

The total amount of the Series 2022 PID Bonds and Additional Authorized Improvements Reimbursement Agreement, which represents the total Assessment to be allocated on all Parcels within the PID, is \$5,000,000. As shown in Table F-7, there are a total of 113.24 Equivalent Units resulting in an Assessment per Unit of \$44,154.01 (i.e.,  $\$5,000,000 \div 113.24 = \$44,154.01$ ).

Table F-10 sets forth the total Assessment per dwelling unit within the PID.

**Table F-10**  
**Assessment Per Unit – Combined**

<b>Description</b>	<b>Planned No. of Units</b>	<b>Assessment per Unit (Initial Authorized Improvements)</b>	<b>Assessment per Unit (Additional Authorized Improvements)</b>	<b>Combined Assessment Per Unit</b>	<b>Total Assessments</b>
Lot Type 1 (50 Ft)	29	\$41,063.23	\$3,090.78	\$44,154.01	\$1,280,466
Lot Type 2 (40 Ft)	117	\$29,565.52	\$2,225.36	\$31,790.89	\$3,719,534
<b>Total</b>	<b>146</b>				<b>\$5,000,000</b>

The projected leverage calculated based on the estimated land values, finished lot values and home values for each unit is shown in Table F-11.

**Table F-11**  
**Projected Leverage – Combined**

<b>Description</b>	<b>Planned No. of Units/1,000 GSF</b>	<b>Estimated Finished Lot Value per unit</b>	<b>Projected Home Value per unit</b>	<b>Assessment per Unit</b>	<b>Leverage (Lot Value)</b>	<b>Leverage (Home Value)</b>
Lot Type 1 (50 Ft)	29	\$130,000	\$500,000	\$44,154.01	2.94	11.32
Lot Type 2 (40 Ft)	117	\$80,000	\$360,000	\$31,790.89	2.52	11.32

The projected tax rate equivalent per unit calculated based on the estimated finished lot values and home values for each unit is shown in Table F-12.

**Table F-12**  
**Estimated Tax Rate Equivalent per unit – Combined**

<b>Description</b>	<b>Planned No. of Units</b>	<b>Estimated Finished Lot Value per unit</b>	<b>Projected Home Value per unit</b>	<b>Projected Average Annual Installment per unit</b>	<b>Tax Rate Equivalent (per \$100 Lot Value)</b>	<b>Tax Rate Equivalent (per \$100 Home Value)</b>
Lot Type 1 (50 Ft)	29	\$130,000	\$500,000	\$3,476.79	\$2.67	\$0.6954
Lot Type 2 (40 Ft)	117	\$80,000	\$360,000	\$2,503.29	\$3.13	\$0.6954

The Annual Installments for each Parcel or Lot located within the PID is shown on Appendix I – Combined Projected Annual Installments, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

**APPENDIX G**  
**ASSESSMENT ROLL – AUTHORIZED IMPROVEMENTS**

**Appendix G-1**  
**Assessment Roll – Initial Authorized Improvements**

**Parcel  
Equivalent Units  
Assessment**

**All Parcels  
113.24  
\$4,650,000**

Year	Principal	Interest <sup>(1)</sup>	Administrative Expenses <sup>(2)</sup>	Additional Interest Reserve	Capitalized Interest	Total Annual Installment
9/30/22	\$0	\$110,817	\$0	\$0	(\$110,817)	\$0
9/30/23	\$0	\$175,745	\$40,800	\$23,250	(\$175,745)	\$64,050
9/30/24	\$102,000	\$175,745	\$41,616	\$23,250	\$0	\$342,611
9/30/25	\$105,000	\$172,430	\$42,448	\$22,740	\$0	\$342,618
9/30/26	\$109,000	\$169,018	\$43,297	\$22,215	\$0	\$343,530
9/30/27	\$112,000	\$165,475	\$44,163	\$21,670	\$0	\$343,308
9/30/28	\$115,000	\$161,835	\$45,047	\$21,110	\$0	\$342,992
9/30/29	\$119,000	\$157,810	\$45,947	\$20,535	\$0	\$343,292
9/30/30	\$123,000	\$153,645	\$46,866	\$19,940	\$0	\$343,451
9/30/31	\$127,000	\$149,340	\$47,804	\$19,325	\$0	\$343,469
9/30/32	\$131,000	\$144,895	\$48,760	\$18,690	\$0	\$343,345
9/30/33	\$135,000	\$140,310	\$49,735	\$18,035	\$0	\$343,080
9/30/34	\$140,000	\$135,248	\$50,730	\$17,360	\$0	\$343,337
9/30/35	\$145,000	\$129,998	\$51,744	\$16,660	\$0	\$343,402
9/30/36	\$150,000	\$124,560	\$52,779	\$15,935	\$0	\$343,274
9/30/37	\$155,000	\$118,935	\$53,835	\$15,185	\$0	\$342,955
9/30/38	\$161,000	\$113,123	\$54,911	\$14,410	\$0	\$343,444
9/30/39	\$166,000	\$107,085	\$56,010	\$13,605	\$0	\$342,700
9/30/40	\$172,000	\$100,860	\$57,130	\$12,775	\$0	\$342,765
9/30/41	\$179,000	\$94,410	\$58,272	\$11,915	\$0	\$343,597
9/30/42	\$185,000	\$87,698	\$59,438	\$11,020	\$0	\$343,155
9/30/43	\$192,000	\$80,760	\$60,627	\$10,095	\$0	\$343,482
9/30/44	\$199,000	\$73,080	\$61,839	\$9,135	\$0	\$343,054
9/30/45	\$207,000	\$65,120	\$63,076	\$8,140	\$0	\$343,336
9/30/46	\$215,000	\$56,840	\$64,337	\$7,105	\$0	\$343,282
9/30/47	\$223,000	\$48,240	\$65,624	\$6,030	\$0	\$342,894
9/30/48	\$232,000	\$39,320	\$66,937	\$4,915	\$0	\$343,172
9/30/49	\$241,000	\$30,040	\$68,275	\$3,755	\$0	\$343,070
9/30/50	\$250,000	\$20,400	\$69,641	\$2,550	\$0	\$342,591
9/30/51	\$260,000	\$10,400	\$71,034	\$1,300	\$0	\$342,734
<b>Total</b>	<b>\$4,650,000</b>	<b>\$3,313,179</b>	<b>\$1,582,723</b>	<b>\$412,650</b>	<b>(\$286,562)</b>	<b>\$9,671,991</b>

<sup>1</sup>Annual Installments are calculated using an interest rate of 3.25% for years 1 through 6 (2022-2027), 3.50% for years 7 through 11 (2028-2032), 3.75% for years 12 through 21 (2033-2042), and 4.00% for years 22 through 30 (2043-2051) on the Series 2022 PID Bonds.

<sup>2</sup>Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

**Appendix G-2**  
**Assessment Roll by Lot Type**

**Parcel**  
**Equivalent Units**  
**Assessment**

**Lot Type 1 (50 Ft)**  
**\$41,063.23**  
**1.00**

Year	Principal	Interest <sup>(1)</sup>	Administrative Expenses <sup>(2)</sup>	Additional Interest Reserve	Capitalized Interest	Total Annual Installment
9/30/22	\$0	\$979	\$0	\$0	(\$979)	\$0
9/30/23	\$0	\$1,552	\$360	\$205	(\$1,552)	\$566
9/30/24	\$901	\$1,552	\$368	\$205	\$0	\$3,026
9/30/25	\$927	\$1,523	\$375	\$201	\$0	\$3,026
9/30/26	\$963	\$1,493	\$382	\$196	\$0	\$3,034
9/30/27	\$989	\$1,461	\$390	\$191	\$0	\$3,032
9/30/28	\$1,016	\$1,429	\$398	\$186	\$0	\$3,029
9/30/29	\$1,051	\$1,394	\$406	\$181	\$0	\$3,032
9/30/30	\$1,086	\$1,357	\$414	\$176	\$0	\$3,033
9/30/31	\$1,122	\$1,319	\$422	\$171	\$0	\$3,033
9/30/32	\$1,157	\$1,280	\$431	\$165	\$0	\$3,032
9/30/33	\$1,192	\$1,239	\$439	\$159	\$0	\$3,030
9/30/34	\$1,236	\$1,194	\$448	\$153	\$0	\$3,032
9/30/35	\$1,280	\$1,148	\$457	\$147	\$0	\$3,033
9/30/36	\$1,325	\$1,100	\$466	\$141	\$0	\$3,031
9/30/37	\$1,369	\$1,050	\$475	\$134	\$0	\$3,029
9/30/38	\$1,422	\$999	\$485	\$127	\$0	\$3,033
9/30/39	\$1,466	\$946	\$495	\$120	\$0	\$3,026
9/30/40	\$1,519	\$891	\$505	\$113	\$0	\$3,027
9/30/41	\$1,581	\$834	\$515	\$105	\$0	\$3,034
9/30/42	\$1,634	\$774	\$525	\$97	\$0	\$3,030
9/30/43	\$1,696	\$713	\$535	\$89	\$0	\$3,033
9/30/44	\$1,757	\$645	\$546	\$81	\$0	\$3,029
9/30/45	\$1,828	\$575	\$557	\$72	\$0	\$3,032
9/30/46	\$1,899	\$502	\$568	\$63	\$0	\$3,031
9/30/47	\$1,969	\$426	\$580	\$53	\$0	\$3,028
9/30/48	\$2,049	\$347	\$591	\$43	\$0	\$3,030
9/30/49	\$2,128	\$265	\$603	\$33	\$0	\$3,030
9/30/50	\$2,208	\$180	\$615	\$23	\$0	\$3,025
9/30/51	\$2,296	\$92	\$627	\$11	\$0	\$3,027
<b>Total</b>	<b>\$41,063</b>	<b>\$29,258</b>	<b>\$13,977</b>	<b>\$3,644</b>	<b>(\$2,531)</b>	<b>\$85,411</b>

<sup>1</sup>Annual Installments are calculated using an interest rate of 3.25% for years 1 through 6 (2022-2027), 3.50% for years 7 through 11 (2028-2032), 3.75% for years 12 through 21 (2033-2042), and 4.00% for years 22 through 30 (2043-2051) on the Series 2022 PID Bonds.

<sup>2</sup>Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

**Appendix G-3**  
**Assessment Roll by Lot Type**

**Parcel**  
**Equivalent Units**  
**Assessment**

**Lot Type 2 (40 Ft)**  
**\$29,565.52**  
**0.72**

Year	Principal	Interest <sup>(1)</sup>	Administrative Expenses <sup>(2)</sup>	Additional Interest Reserve	Capitalized Interest	Total Annual Installment
9/30/22	\$0	\$705	\$0	\$0	(\$705)	\$0
9/30/23	\$0	\$1,117	\$259	\$148	(\$1,117)	\$407
9/30/24	\$649	\$1,117	\$265	\$148	\$0	\$2,178
9/30/25	\$668	\$1,096	\$270	\$145	\$0	\$2,178
9/30/26	\$693	\$1,075	\$275	\$141	\$0	\$2,184
9/30/27	\$712	\$1,052	\$281	\$138	\$0	\$2,183
9/30/28	\$731	\$1,029	\$286	\$134	\$0	\$2,181
9/30/29	\$757	\$1,003	\$292	\$131	\$0	\$2,183
9/30/30	\$782	\$977	\$298	\$127	\$0	\$2,184
9/30/31	\$807	\$950	\$304	\$123	\$0	\$2,184
9/30/32	\$833	\$921	\$310	\$119	\$0	\$2,183
9/30/33	\$858	\$892	\$316	\$115	\$0	\$2,181
9/30/34	\$890	\$860	\$323	\$110	\$0	\$2,183
9/30/35	\$922	\$827	\$329	\$106	\$0	\$2,183
9/30/36	\$954	\$792	\$336	\$101	\$0	\$2,183
9/30/37	\$986	\$756	\$342	\$97	\$0	\$2,181
9/30/38	\$1,024	\$719	\$349	\$92	\$0	\$2,184
9/30/39	\$1,055	\$681	\$356	\$87	\$0	\$2,179
9/30/40	\$1,094	\$641	\$363	\$81	\$0	\$2,179
9/30/41	\$1,138	\$600	\$371	\$76	\$0	\$2,185
9/30/42	\$1,176	\$558	\$378	\$70	\$0	\$2,182
9/30/43	\$1,221	\$513	\$385	\$64	\$0	\$2,184
9/30/44	\$1,265	\$465	\$393	\$58	\$0	\$2,181
9/30/45	\$1,316	\$414	\$401	\$52	\$0	\$2,183
9/30/46	\$1,367	\$361	\$409	\$45	\$0	\$2,183
9/30/47	\$1,418	\$307	\$417	\$38	\$0	\$2,180
9/30/48	\$1,475	\$250	\$426	\$31	\$0	\$2,182
9/30/49	\$1,532	\$191	\$434	\$24	\$0	\$2,181
9/30/50	\$1,590	\$130	\$443	\$16	\$0	\$2,178
9/30/51	\$1,653	\$66	\$452	\$8	\$0	\$2,179
<b>Total</b>	<b>\$29,566</b>	<b>\$21,066</b>	<b>\$10,063</b>	<b>\$2,624</b>	<b>(\$1,822)</b>	<b>\$61,496</b>

<sup>1</sup>Annual Installments are calculated using an interest rate of 3.25% for years 1 through 6 (2022-2027), 3.50% for years 7 through 11 (2028-2032), 3.75% for years 12 through 21 (2033-2042), and 4.00% for years 22 through 30 (2043-2051) on the Series 2022 PID Bonds.

<sup>2</sup>Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

**APPENDIX H**  
**ASSESSMENT ROLL – ADDITIONAL AUTHORIZED IMPROVEMENTS**

**Appendix H-1**  
**Assessment Roll – Additional Authorized Improvements**

**Parcel  
Equivalent Units  
Assessment**

**All Parcels  
113.24  
\$350,000**

<b>Year</b>	<b>Principal</b>	<b>Interest<sup>(1)</sup></b>	<b>Administrative Expenses<sup>(2)</sup></b>	<b>Total Annual Installment</b>
9/30/25	\$10,000	\$20,195	\$20,000	\$50,195
9/30/26	\$10,000	\$19,618	\$20,400	\$50,018
9/30/27	\$11,000	\$19,041	\$20,808	\$50,849
9/30/28	\$11,000	\$18,406	\$21,224	\$50,630
9/30/29	\$11,000	\$17,772	\$21,649	\$50,420
9/30/30	\$11,000	\$17,137	\$22,082	\$50,219
9/30/31	\$11,000	\$16,502	\$22,523	\$50,025
9/30/32	\$11,000	\$15,868	\$22,974	\$49,841
9/30/33	\$11,000	\$15,233	\$23,433	\$49,666
9/30/34	\$11,000	\$14,598	\$23,902	\$49,500
9/30/35	\$12,000	\$13,963	\$24,380	\$50,343
9/30/36	\$12,000	\$13,271	\$24,867	\$50,138
9/30/37	\$12,000	\$12,579	\$25,365	\$49,943
9/30/38	\$12,000	\$11,886	\$25,872	\$49,758
9/30/39	\$13,000	\$11,194	\$26,390	\$50,583
9/30/40	\$13,000	\$10,444	\$26,917	\$50,361
9/30/41	\$13,000	\$9,694	\$27,456	\$50,149
9/30/42	\$14,000	\$8,944	\$28,005	\$50,948
9/30/43	\$14,000	\$8,136	\$28,565	\$50,701
9/30/44	\$14,000	\$7,328	\$29,136	\$50,464
9/30/45	\$15,000	\$6,520	\$29,719	\$51,239
9/30/46	\$15,000	\$5,655	\$30,313	\$50,968
9/30/47	\$16,000	\$4,789	\$30,920	\$51,709
9/30/48	\$16,000	\$3,866	\$31,538	\$51,404
9/30/49	\$17,000	\$2,943	\$32,169	\$52,111
9/30/50	\$17,000	\$1,962	\$32,812	\$51,774
9/30/51	\$17,000	\$981	\$33,468	\$51,449
<b>Total</b>	<b>\$350,000</b>	<b>\$308,522</b>	<b>\$706,886</b>	<b>\$1,365,408</b>

<sup>1</sup>Annual Installments are calculated using an interest rate of 5.77% for years 1 through 27 (2025-2051) on the Additional Authorized Improvements Reimbursement Agreements.

<sup>2</sup>Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.



**Appendix H-2**  
**Assessment Roll by Lot Type**

**Parcel**  
**Equivalent Units**  
**Assessment**

**Lot Type 1 (50 Ft)**  
**\$3,090.78**  
**1.00**

<b>Year</b>	<b>Principal</b>	<b>Interest<sup>(1)</sup></b>	<b>Administrative Expenses<sup>(2)</sup></b>	<b>Total Annual Installment</b>
9/30/25	\$88	\$178	\$177	\$443
9/30/26	\$88	\$173	\$180	\$442
9/30/27	\$97	\$168	\$184	\$449
9/30/28	\$97	\$163	\$187	\$447
9/30/29	\$97	\$157	\$191	\$445
9/30/30	\$97	\$151	\$195	\$443
9/30/31	\$97	\$146	\$199	\$442
9/30/32	\$97	\$140	\$203	\$440
9/30/33	\$97	\$135	\$207	\$439
9/30/34	\$97	\$129	\$211	\$437
9/30/35	\$106	\$123	\$215	\$445
9/30/36	\$106	\$117	\$220	\$443
9/30/37	\$106	\$111	\$224	\$441
9/30/38	\$106	\$105	\$228	\$439
9/30/39	\$115	\$99	\$233	\$447
9/30/40	\$115	\$92	\$238	\$445
9/30/41	\$115	\$86	\$242	\$443
9/30/42	\$124	\$79	\$247	\$450
9/30/43	\$124	\$72	\$252	\$448
9/30/44	\$124	\$65	\$257	\$446
9/30/45	\$132	\$58	\$262	\$452
9/30/46	\$132	\$50	\$268	\$450
9/30/47	\$141	\$42	\$273	\$457
9/30/48	\$141	\$34	\$279	\$454
9/30/49	\$150	\$26	\$284	\$460
9/30/50	\$150	\$17	\$290	\$457
9/30/51	\$150	\$9	\$296	\$454
<b>Total</b>	<b>\$3,091</b>	<b>\$2,724</b>	<b>\$6,242</b>	<b>\$12,058</b>

<sup>1</sup>Annual Installments are calculated using an interest rate of 5.77% for years 1 through 27 (2025-2051) on the Additional Authorized Improvements Reimbursement Agreements.

<sup>2</sup>Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

**Appendix H-3**  
**Assessment Roll by Lot Type**

**Parcel**  
**Equivalent Units**  
**Assessment**

**Lot Type 2 (40 Ft)**  
**\$2,225.36**  
**0.72**

<b>Year</b>	<b>Principal</b>	<b>Interest<sup>(1)</sup></b>	<b>Administrative Expenses<sup>(2)</sup></b>	<b>Total Annual Installment</b>
9/30/25	\$64	\$128	\$127	\$319
9/30/26	\$64	\$125	\$130	\$318
9/30/27	\$70	\$121	\$132	\$323
9/30/28	\$70	\$117	\$135	\$322
9/30/29	\$70	\$113	\$138	\$321
9/30/30	\$70	\$109	\$140	\$319
9/30/31	\$70	\$105	\$143	\$318
9/30/32	\$70	\$101	\$146	\$317
9/30/33	\$70	\$97	\$149	\$316
9/30/34	\$70	\$93	\$152	\$315
9/30/35	\$76	\$89	\$155	\$320
9/30/36	\$76	\$84	\$158	\$319
9/30/37	\$76	\$80	\$161	\$318
9/30/38	\$76	\$76	\$164	\$316
9/30/39	\$83	\$71	\$168	\$322
9/30/40	\$83	\$66	\$171	\$320
9/30/41	\$83	\$62	\$175	\$319
9/30/42	\$89	\$57	\$178	\$324
9/30/43	\$89	\$52	\$182	\$322
9/30/44	\$89	\$47	\$185	\$321
9/30/45	\$95	\$41	\$189	\$326
9/30/46	\$95	\$36	\$193	\$324
9/30/47	\$102	\$30	\$197	\$329
9/30/48	\$102	\$25	\$201	\$327
9/30/49	\$108	\$19	\$205	\$331
9/30/50	\$108	\$12	\$209	\$329
9/30/51	\$108	\$6	\$213	\$327
<b>Total</b>	<b>\$2,225</b>	<b>\$1,962</b>	<b>\$4,495</b>	<b>\$8,682</b>

<sup>1</sup>Annual Installments are calculated using an interest rate of 5.77% for years 1 through 27 (2025-2051) on the Additional Authorized Improvements Reimbursement Agreements.

<sup>2</sup>Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

**APPENDIX I**  
**COMBINED PROJECTED ANNUAL INSTALLMENTS**

**Appendix I**  
**Combined Projected Annual Installments**

**Parcel  
Equivalent Units  
Assessment**

**All Parcels  
113.24  
\$5,000,000**

Year	Principal <sup>(1)</sup>	Interest <sup>(1)</sup>	Principal <sup>(2)</sup>	Interest <sup>(2)</sup>	Administrative Expenses <sup>(3)</sup>	Additional Interest Reserve	Capitalized Interest	Total Annual Installment
9/30/22	\$0	\$110,817	\$0	\$0	\$0	\$0	(\$110,817)	\$0
9/30/23	\$0	\$175,745	\$0	\$0	\$40,800	\$23,250	(\$175,745)	\$64,050
9/30/24	\$102,000	\$175,745	\$0	\$0	\$41,616	\$23,250	\$0	\$342,611
9/30/25	\$105,000	\$172,430	\$10,000	\$20,195	\$62,448	\$22,740	\$0	\$392,813
9/30/26	\$109,000	\$169,018	\$10,000	\$19,618	\$63,697	\$22,215	\$0	\$393,548
9/30/27	\$112,000	\$165,475	\$11,000	\$19,041	\$64,971	\$21,670	\$0	\$394,157
9/30/28	\$115,000	\$161,835	\$11,000	\$18,406	\$66,271	\$21,110	\$0	\$393,622
9/30/29	\$119,000	\$157,810	\$11,000	\$17,772	\$67,596	\$20,535	\$0	\$393,713
9/30/30	\$123,000	\$153,645	\$11,000	\$17,137	\$68,948	\$19,940	\$0	\$393,670
9/30/31	\$127,000	\$149,340	\$11,000	\$16,502	\$70,327	\$19,325	\$0	\$393,494
9/30/32	\$131,000	\$144,895	\$11,000	\$15,868	\$71,733	\$18,690	\$0	\$393,186
9/30/33	\$135,000	\$140,310	\$11,000	\$15,233	\$73,168	\$18,035	\$0	\$392,746
9/30/34	\$140,000	\$135,248	\$11,000	\$14,598	\$74,632	\$17,360	\$0	\$392,837
9/30/35	\$145,000	\$129,998	\$12,000	\$13,963	\$76,124	\$16,660	\$0	\$393,745
9/30/36	\$150,000	\$124,560	\$12,000	\$13,271	\$77,647	\$15,935	\$0	\$393,413
9/30/37	\$155,000	\$118,935	\$12,000	\$12,579	\$79,200	\$15,185	\$0	\$392,898
9/30/38	\$161,000	\$113,123	\$12,000	\$11,886	\$80,784	\$14,410	\$0	\$393,202
9/30/39	\$166,000	\$107,085	\$13,000	\$11,194	\$82,399	\$13,605	\$0	\$393,283
9/30/40	\$172,000	\$100,860	\$13,000	\$10,444	\$84,047	\$12,775	\$0	\$393,126
9/30/41	\$179,000	\$94,410	\$13,000	\$9,694	\$85,728	\$11,915	\$0	\$393,747
9/30/42	\$185,000	\$87,698	\$14,000	\$8,944	\$87,443	\$11,020	\$0	\$394,104
9/30/43	\$192,000	\$80,760	\$14,000	\$8,136	\$89,192	\$10,095	\$0	\$394,182
9/30/44	\$199,000	\$73,080	\$14,000	\$7,328	\$90,975	\$9,135	\$0	\$393,518
9/30/45	\$207,000	\$65,120	\$15,000	\$6,520	\$92,795	\$8,140	\$0	\$394,575
9/30/46	\$215,000	\$56,840	\$15,000	\$5,655	\$94,651	\$7,105	\$0	\$394,250
9/30/47	\$223,000	\$48,240	\$16,000	\$4,789	\$96,544	\$6,030	\$0	\$394,603
9/30/48	\$232,000	\$39,320	\$16,000	\$3,866	\$98,475	\$4,915	\$0	\$394,576
9/30/49	\$241,000	\$30,040	\$17,000	\$2,943	\$100,444	\$3,755	\$0	\$395,182
9/30/50	\$250,000	\$20,400	\$17,000	\$1,962	\$102,453	\$2,550	\$0	\$394,365
9/30/51	\$260,000	\$10,400	\$17,000	\$981	\$104,502	\$1,300	\$0	\$394,183
<b>Total</b>	<b>\$4,650,000</b>	<b>\$3,313,179</b>	<b>\$350,000</b>	<b>\$308,522</b>	<b>\$2,289,610</b>	<b>\$412,650</b>	<b>(\$286,562)</b>	<b>\$11,037,399</b>

<sup>1</sup>Annual Installments are calculated using an interest rate of 3.25% for years 1 through 6 (2022-2027), 3.50% for years 7 through 11 (2028-2032), 3.75% for years 12 through 21 (2033-2042), and 4.00% for years 22 through 30 (2043-2051) on the Series 2022 PID Bonds.

<sup>2</sup>Annual Installments are calculated using an interest rate of 5.77% for years 1 through 30 (2024-2051) on the Additional Authorized Improvements Reimbursement Agreements.

<sup>3</sup>Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.



**Date:** 02/20/2024  
**Agenda Item #:** 5. B.  
**Department:** Economic Development Corporation  
**Strategic Goal:** Promote and expand Little Elm's identity  
**Staff Contact:** Jennette Espinosa, EDC Executive Director

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**AGENDA ITEM:**

Present, Discuss, and Consider Action on **Resolution No. 0220202401 Authorizing the Mayor to Approve the Additional Authorized Improvements Reimbursement Agreement and the Additional Authorized Improvements Landowner Agreement between the Town of Little Elm and MM Little Elm 43, LLC.**

**DESCRIPTION:**

The PID is located within the Town and contains approximately 38 acres of land and is projected to consist of 146 single family residential units, to be developed as a singular development phase.

The Town is entering into an agreement with the Developer of the Spiritas East Public Improvement District to reimburse it for a portion of the costs incurred in connection with the Additional Authorized Improvements being constructed for the benefit of property within that PID. The obligation due under the reimbursement agreement will be paid solely from assessments collected from the property within the PID, including the assessments levied in a preceding agenda item at tonight's meeting.

After satisfaction of the portion of the debt service requirements of a series of bonds issued in 2022, and any other amounts due under the terms of the indenture prepared in connection with those bonds, these revenues will be deposited by the Town into a separate, segregated fund.

Pursuant and subject to the terms of the Reimbursement Agreement, the Town will agree to pay the developer a principal amount not to exceed \$350,000, plus interest. The amount due to the developer following the Town's receipt and acceptance of a request for a reimbursement and proof related to the costs incurred by the developer, will accrue interest at a rate of 5.67% per annum.

The Term of this Reimbursement Agreement is twenty-seven (27) years, (maturing September 30, 2051) or until the Unpaid Balance is paid in full, whichever occurs first.

Additionally, the Town is entering into a Landowner Agreement with the Developer of the PID pursuant to which the Developer, as the owner of the property within the PID, is consenting to the levy of the additional assessments and has agreed that the property within the PID will receive

benefit in excess of these additional assessments.

As a part of the Landowner Agreement, the Developer also acknowledges that the Additional Authorized Improvements will be owned by the Town following the dedication of these improvements and grants easements to the Town in connection with the construction of the improvements.

The Developer also agrees, as a part of the Landowner Agreement, to provide notice of the existence of the PID and the assessment lien against the property within the PID to any and all future landowners, in accordance with the requirements of Texas law.

**BUDGET IMPACT:**

The obligations due under the terms of the Reimbursement Agreement are due solely from the Assessment Revenue deposited into the Assessment Fund and no other Town funds, revenues, taxes or income of any kind shall be used to be pay the amount due to the developer, even if that amount has not been paid in full by the maturity date and the reimbursement agreement shall not under any circumstance give rise to or create a charge against the general credit or taxing power of the Town or a debt or obligation of the Town payable from any source other than the Assessment Revenues received, collected, and deposited in accordance with the terms of the reimbursement agreement. The Landowner Agreement has no Budgetary Impact.

**RECOMMENDED ACTION:**

Staff recommends approval.

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**Attachments**

Resolution No. 0220202401 Authorizing the Approval of Reimbursement Agreement and Landowner Agreement between the Town and MM Little Elm 43,LLC

**TOWN OF LITTLE ELM, TEXAS**

**RESOLUTION NO. 0220202401**

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM, TEXAS; APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE THE ADDITIONAL AUTHORIZED IMPROVEMENTS LANDOWNER AGREEMENT AND ADDITIONAL AUTHORIZED IMPROVEMENTS REIMBURSEMENT AGREEMENT FOR THE SPIRITAS EAST PUBLIC IMPROVEMENT DISTRICT; AND RESOLVING OTHER MATTERS RELATED THERETO.**

**RECITALS**

**WHEREAS**, on November 16, 2021, the Town Council (the “Town Council”) of the Town of Little Elm, Texas (the “Town”) adopted Resolution No. 1116202103, creating the Spiritas East Public Improvement District (the “District”) in accordance with Chapter 372, Texas Local Government Code, as amended (the “Act”); and

**WHEREAS**, the Town, following a request from the owner of property within the District, has previously levied assessments against the property within the District to pay for the costs of certain additional improvements, as identified in the service and assessment plan for the District; and

**WHEREAS**, the Town desires to approve the “Additional Authorized Improvements Landowner Agreement” substantially in the form attached hereto as **Exhibit A** (the “Landowner Agreement”); and

**WHEREAS**, the Landowner Agreement includes certain agreements, acceptances, affirmations, acknowledgments and approvals of the landowner of property within the district and also includes a form of the declaration of covenants, conditions, and restrictions, including the statutory notification required by Texas Property Code, Section 5.014, as amended, and will facilitate the development within the District; and

**WHEREAS**, the Town desires to approve the “Additional Authorized Improvements Reimbursement Agreement” substantially in the form attached hereto as **Exhibit B** (the “Reimbursement Agreement”); and

**WHEREAS**, the Reimbursement Agreement satisfies the requirements of Section 372.023 of the Act and is an appropriate method of reimbursement for the Additional Authorized Improvements Costs (as defined in the Reimbursement Agreement) associated with the construction and development of the Assessed Property (as defined in the Reimbursement Agreement) within the District.

**NOW THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM, TEXAS, AS FOLLOWS:**

**SECTION 1.** THAT the findings and premises contained in the WHEREAS clauses above are hereby deemed to be true and correct and incorporated as a part of this Resolution for all purposes.

**SECTION 2.** THAT the Landowner Agreement attached hereto as **Exhibit A**, is hereby approved and the Mayor is hereby authorized to execute such Landowner Agreement on behalf of the Town.

**SECTION 3.** THAT the Reimbursement Agreement attached hereto as **Exhibit B**, is hereby approved and the Mayor is hereby authorized to execute such Reimbursement Agreement on behalf of the Town.

**SECTION 4.** THAT this Resolution shall become effective from and after its date of passage in accordance with law.

*[Remainder of Page Intentionally Left Blank]*



**PASSED AND APPROVED** on this the 20<sup>th</sup> day of February, 2024.

**TOWN OF LITTLE ELM, TEXAS**

ATTEST:

\_\_\_\_\_  
Curtis J. Cornelious, Mayor

\_\_\_\_\_  
Caitlan Biggs, Town Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
Robert Brown, Town Attorney

Exhibit A to Resolution  
Additional Authorized Improvements Landowner Agreement

## ADDITIONAL AUTHORIZED IMPROVEMENTS LANDOWNER AGREEMENT

This **ADDITIONAL AUTHORIZED IMPROVEMENTS LANDOWNER AGREEMENT** (the “Agreement”), is entered into as of February 20, 2024, between the **TOWN OF LITTLE ELM, TEXAS** (the “Town”), a home rule municipality of the State of Texas (the “State”), and **MM LITTLE ELM 43, LLC**, a Texas limited liability company (the “Landowner”).

### **RECITALS:**

**WHEREAS**, Landowner owns the Assessed Parcels described by the description attached as **Exhibit I** to this Agreement and which is incorporated herein for all purposes, comprising all of the non-exempt, privately-owned land described in **Exhibit I** (the “Landowner Parcel”) which is located within the Spiritas East Public Improvement District (the “District”) in the Town; and

**WHEREAS**, the Town Council has adopted an assessment ordinance for the Additional Authorized Improvements (including all exhibits and attachments thereto, the “Additional Authorized Improvements Assessment Ordinance”) and the Service and Assessment Plan included as an Exhibit A to the Additional Authorized Improvements Assessment Ordinance as updated and amended (the “Service and Assessment Plan”) and which is incorporated herein for all purposes, and has levied an assessment on each Assessed Parcel of the District (as identified in the Service and Assessment Plan) that will be pledged for the payment of certain infrastructure improvements and to pay the costs of constructing the Additional Authorized Improvements that will benefit the Assessed Property (as defined in the Service and Assessment Plan); and

**WHEREAS**, the Covenants, Conditions and Restrictions attached to this Agreement as **Exhibit II** and which are incorporated herein for all purposes, include the statutory notification required by Texas Property Code, Section 5.014, as amended, to be provided by the seller of residential property that is located in a public improvement district established under Chapter 372 of the Texas Local Government Code, as amended (the “PID Act”), to the purchaser.

**NOW, THEREFORE**, for and in consideration of the mutual promises, covenants, obligations and benefits hereinafter set forth, the Town and the Landowner hereby contract, covenant and agree as follows:

### **DEFINITIONS; APPROVAL OF AGREEMENTS**

**Definitions.** Capitalized terms used but not defined herein (including each exhibit hereto) shall have the meanings ascribed to them in the Service and Assessment Plan.

**Affirmation of Recitals.** The findings set forth in the Recitals of this Agreement are hereby incorporated as the official findings of the Town Council.

### **I.**

## **AGREEMENTS OF LANDOWNER**

A. Affirmation and Acceptance of Agreements and Findings of Benefit. Landowner hereby ratifies, confirms, accepts, agrees to, and approves:

(i) the creation and boundaries of the District, and the boundaries of the Landowner's Parcel, as shown on **Exhibit I**, and the location and development of the Additional Authorized Improvements on the Landowner Parcel and on the property within The District;

(ii) the determinations and findings as to the benefits by the Town Council in the Service and Assessment Plan and the Additional Authorized Improvements Assessment Ordinance;

(iii) the Additional Authorized Improvements Assessment Ordinance and the Service and Assessment Plan.

B. Acceptance and Approval of Assessments and Lien on Property. Landowner consents to, agrees to, acknowledges and accepts the following:

(i) each Assessment levied by the Town on each Assessed Parcel within the District as shown on the assessment roll attached as Appendix H-1 to the Service and Assessment Plan (the "Assessment Roll - Additional Authorized Improvements");

(ii) the Additional Authorized Improvements specially benefit the District, and the Landowner's Parcel, in an amount at least equal to the Assessment levied on each Assessed Parcel within the District, as such Assessment is shown on the Assessment Roll - Additional Authorized Improvements;

(iii) each Assessment is final, conclusive and binding upon Landowner and any subsequent owner of an Assessed Parcel, regardless of whether such landowner may be required to prepay a portion of, or the entirety of, such Assessment upon the occurrence of a mandatory prepayment event as provided in the Service and Assessment Plan;

(iv) the obligation to pay the Assessment levied on the Assessed Parcel(s) owned by it when due and in the amount required by and stated in the Service and Assessment Plan and the Additional Authorized Improvements Assessment Ordinance;

(v) each Assessment or reassessment, with interest, the expense of collection, and reasonable attorney's fees, if incurred, is a first and prior lien against the Assessed Parcel, superior to all other liens and monetary claims except liens or monetary claims for state, county, school district, or municipal ad valorem taxes, and is a personal liability of and charge against the owner of the Assessed Parcel regardless of whether such owner is named;

(vi) the Assessment lien on each Assessed Parcel is a lien and covenant that runs with the land and is effective from the date of the Additional Authorized Improvements Assessment Ordinance and continues until the Assessment is paid and may be enforced by the governing body of the Town in the same manner that an ad valorem tax lien against real property may be enforced by the Town;

(vii) delinquent installments of the Assessment shall incur and accrue interest, penalties, and attorney's fees as provided in the PID Act;

(viii) the owner of an Assessed Parcel may pay at any time the entire Assessment, with interest that has accrued on the Assessment, on any parcel in the Landowner's Parcel;

(ix) the Annual Installments of the Assessments (as defined in the Service and Assessment Plan and Assessment Roll - Additional Authorized Improvements) may be adjusted, decreased and extended; and, the assessed parties shall be obligated to pay their respective revised amounts of the annual installments, when due, and without the necessity of further action, assessments or reassessments by the Town, the same as though they were expressly set forth herein; and

(x) Landowner has received, or hereby waives, all notices required to be provided to it under Texas law, including the PID Act, prior to the Effective Date (defined herein).

C. Mandatory Prepayment of Assessments. Landowner agrees and acknowledges that Landowner or subsequent landowners may have an obligation to prepay an Assessment upon the occurrence of a mandatory prepayment event, at the sole discretion of the Town and as provided in the Service and Assessment Plan, as amended or updated.

D. Notice of Assessments. Landowner further agrees as follows:

(i) the Covenants, Conditions and Restrictions attached hereto as **Exhibit II** shall be terms, conditions and provisions running with the Landowner's Parcel and shall be recorded (the contents of which shall be consistent with the Additional Authorized Improvements Assessment Ordinance and the Service and Assessment Plan as reasonably determined by the Town), in the records of the County Clerk of Denton County, as a lien and encumbrance against such Assessed Parcel, and Landowner hereby authorizes the Town to so record such documents against the Assessed Parcels owned by Landowner;

(ii) in the event of any subdivision, sale, transfer or other conveyance by the Landowner of the right, title or interest of the Landowner in the Landowner's Parcel or any part thereof, the Landowner's Parcel, or any such part thereof, shall continue to be bound by all of the terms, conditions and provisions of such Covenants, Conditions and Restrictions and any purchaser, transferee or other subsequent owner shall take such

Assessed Parcel(s) subject to all of the terms, conditions and provisions of such Covenants, Conditions and Restrictions; and

(iii) Landowner shall comply with, and shall contractually obligate (and promptly provide written evidence of such contractual provisions to the Town) any party who purchases any Assessed Parcel owned by Landowner, or any portion thereof, for the purpose of constructing residential properties that are eligible for “homestead” designations under State law, to comply with, the Homebuyer Education Program described on **Exhibit III** to this Agreement. Such compliance obligation shall terminate as to each Lot (as defined in the Service and Assessment Plan) if, and when, (i) a final certificate of occupancy for a residential unit on such Lot is issued by the Town, and (ii) there is a sale of a Lot to an individual homebuyer, it being the intent of the undersigned that the Homebuyer Education Program shall apply only to a commercial builder who is in the business of constructing and/or selling residences to individual home buyers (a “Builder”) but not to subsequent sales of such residence and Lot by an individual home buyer after the initial sale by a Builder.

Notwithstanding the provisions of this Section, upon the Landowner’s request and the Town’s consent, in the Town’s sole and absolute discretion, the Covenants, Conditions and Restrictions may be included with other written restrictions running with the land on property within the District, provided they contain all the material provisions and provide the same material notice to prospective property owners as does the document attached as **Exhibit II**.

## **II. OWNERSHIP AND CONSTRUCTION OF ADDITIONAL AUTHORIZED IMPROVEMENTS**

A. Ownership and Transfer of Additional Authorized Improvements. Landowner acknowledges that all of the Additional Authorized Improvements and the land (or easements, as applicable) needed therefor shall be owned by the Town as constructed and/or conveyed to the Town and Landowner will execute such conveyances and/or dedications of public rights of way and easements as may be reasonably required to evidence such ownership, as generally described on the current plats of the property within the District.

B. Grant of Easement and License, Construction of Additional Authorized Improvements.

(i) Any subsequent owner of an Assessed Parcel shall, upon the request of the Town or Landowner, grant and convey to the Town or Landowner and its contractors, materialmen and workmen a temporary license and/or easement, as appropriate, to construct the Additional Authorized Improvements on the property within the District, to stage on the property within the District construction trailers, building materials and equipment to be used in connection with such construction of the Additional Authorized

Improvements and for passage and use over and across parts of the property within the District as shall be reasonably necessary during the construction of the Additional Authorized Improvements. Any subsequent owner of an Assessed Parcel may require that each contractor constructing the Additional Authorized Improvements cause such owner of an Assessed Parcel to be indemnified and/or named as an additional insured under liability insurance reasonably acceptable to such owner of an Assessed Parcel. The right to use and enjoy any easement and license provided above shall continue until the construction of the Additional Authorized Improvements are complete; provided, however, any such license or easement shall automatically terminate upon the recording of the final plat for the Landowner's Parcel in the real property records of Denton County, Texas.

(ii) Landowner hereby agrees that any right or condition imposed by the Development Agreement, or other agreement, with respect to the Assessments has been satisfied, and that Landowner shall not have any rights or remedies against the Town under any law or principles of equity concerning the Assessments, with respect to the formation of the District, approval of the Service and Assessment Plan and the Town's levy and collection of the Assessments.

### **III. COVENANTS AND WARRANTIES; MISCELLANEOUS**

#### **A. Special Covenants and Warranties of Landowner.**

Landowner represents and warrants to the Town as follows:

(i) Landowner is duly organized, validly existing and, as applicable, in good standing under the laws of the state of its organization and has the full right, power and authority to enter into this Agreement, and to perform all the obligations required to be performed by Landowner hereunder.

(ii) This Agreement has been duly and validly executed and delivered by, and on behalf of, Landowner and, assuming the due authorization, execution and delivery thereof by and on behalf of the Town and the Landowner, constitutes a valid, binding and enforceable obligation of such party enforceable in accordance with its terms. This representation and warranty is qualified to the extent the enforceability of this Agreement may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws of general application affecting the rights of creditors in general.

(iii) Neither the execution and delivery hereof, nor the taking of any actions contemplated hereby, will conflict with or result in a breach of any of the provisions of, or constitute a default, event of default or event creating a right of acceleration, termination or cancellation of any obligation under, any instrument, note, mortgage, contract,

judgment, order, award, decree or other agreement or restriction to which Landowner is a party, or by which Landowner or Landowner's Parcel is otherwise bound.

(iv) Landowner is, subject to all matters of record in the Denton County, Texas Real Property Records, the sole owner of the Landowner's Parcel.

(v) The Landowner's Parcel owned by Landowner is not subject to, or encumbered by, any covenant, lien, encumbrance or agreement which would prohibit (i) the creation of the District, (ii) the levy of the Assessments, or (iii) the construction of the Additional Authorized Improvements on those portions of the property within the District which are to be owned by the Town, as generally described on the current plats of the property within the District (or, if subject to any such prohibition, the approval or consent of all necessary parties thereto has been obtained).

(vi) Landowner covenants and agrees to execute any and all documents necessary, appropriate or incidental to the purposes of this Agreement, as long as such documents are consistent with this Agreement and do not create additional liability of any type to, or reduce the rights of, such Landowner by virtue of execution thereof.

B. Waiver of Claims Concerning Additional Authorized Improvements. The Landowner, with full knowledge of the provisions, and the rights thereof pursuant to such provisions, of applicable law, waives any claims against the Town and its successors, assigns and agents, pertaining to the installation of the Additional Authorized Improvements.

C. Notices.

Any notice or other communication to be given to the Town or Landowner under this Agreement shall be given by delivering the same in writing to:

To the Town: Town of Little Elm, Texas  
Attn: Town Manager  
100 West Eldorado Parkway  
Little Elm, Texas 75068

With a copy to: Town Attorney  
Attn: Robert F. Brown  
100 West Eldorado Parkway  
Little Elm, Texas 75068

To the Landowner: MM Little Elm 43, LLC  
Attn: Mehrdad Moayed  
1800 Valley View Lane, Suite 300  
Farmers Branch, Texas 75234

With a copy to: Texas Real Estate Law



Attn: Travis Boghetich  
1800 Valley View Lane, Suite 360  
Farmers Branch, Texas 75234

Any notice sent under this Agreement (except as otherwise expressly required) shall be written and mailed, or sent by electronic or facsimile transmission confirmed by mailing written confirmation at substantially the same time as such electronic or facsimile transmission, or personally delivered to an officer of the recipient as the address set forth herein.

Each recipient may change its address by written notice in accordance with this Section. Any communication addressed and mailed in accordance with this provision shall be deemed to be given when so mailed, any notice so sent by electronic or facsimile transmission shall be deemed to be given when receipt of such transmission is acknowledged, and any communication so delivered in person shall be deemed to be given when receipted for, or actually received by, the addressee.

D. Parties in Interest.

This Agreement is made solely for the benefit of the Town and the Landowner and is not assignable, except, in the case of Landowner, in connection with the sale or disposition of all or substantially all of the parcels which constitute the Landowner's Parcel. However, the parties expressly agree and acknowledge that the Town, the Landowner, each current owner of any parcel which constitutes the Landowner's Parcel, and the holders of or trustee for any bonds secured by Additional Improvement Assessment Revenues of the Town or any part thereof to finance the costs of the Additional Authorized Improvements, are express beneficiaries of this Agreement and shall be entitled to pursue any and all remedies at law or in equity to enforce the obligations of the parties hereto. This Agreement shall be recorded in the real property records of Denton County, Texas.

E. Amendments.

This Agreement may be amended only by written instrument executed by the Town and the Landowner. No termination or amendment shall be effective until a written instrument setting forth the terms thereof has been executed by the then-current owners of the property within the District and recorded in the Real Property Records of Denton County, Texas.

F. Effective Date.

This Agreement shall become and be effective (the "Effective Date") upon the date of final execution by the latter of the Town and the Landowner and shall be valid and enforceable on said date and thereafter.

G. Estoppels.

Within 10 days after written request from a party hereto, the other party shall provide a written certification, indicating whether this Agreement remains in effect as to an Assessed Parcel, and whether any party is then in default hereunder.

H. Termination.

This Agreement shall terminate and be of no further force and effect as to each Assessed Parcel upon payment in full of the Assessment(s) against such Assessed Parcel.

I. Statutory Verifications. The Landowner makes the following representation and verifications to enable the Town to comply with Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the “Government Code”), in entering into this Agreement. As used in such verifications, “affiliate” means an entity that controls, is controlled by, or is under common control with the Landowner within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification prior to the expiration or earlier termination of this Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

(a) Not a Sanctioned Company. The Landowner represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Landowner and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) No Boycott of Israel. The Landowner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Landowner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The Landowner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

J. Form 1295 Certificate. Landowner represents that it has complied with Texas Government Code, Section 2252.908 and in connection therewith, the Landowner has completed a Texas Ethics Commission Form 1295 Certificate generated by the Texas Ethics Commission’s

electronic filing system in accordance with the rules promulgated by the Texas Ethics Commission. The Landowner further agrees to print the completed certificate and execute the completed certificate in such form as is required by Texas Government Code, Section 2252.908 and the rules of the Texas Ethics Commission and provide to the Town at the time of delivery of an executed counterpart of this Agreement, a duly executed completed Form 1295 Certificate. The Parties agree that, except for the information identifying the Town and the contract identification number, the Town is not responsible for the information contained in the Form 1295 completed by the Landowner. The information contained in the Form 1295 completed by the Landowner has been provided solely by the Landowner and the Town has not verified such information.

**[SIGNATURE PAGES TO FOLLOW]**

EXECUTED by the Town and Landowner on the respective dates stated below.

**TOWN OF LITTLE ELM, TEXAS**

By: \_\_\_\_\_  
Curtis J. Cornelious  
Mayor

Date: \_\_\_\_\_

STATE OF TEXAS                   §  
   §  
COUNTY OF DENTON           §

This instrument was acknowledged before me on the \_\_\_ day of \_\_\_\_\_, 2024 by Curtis J. Cornelious, Mayor of the Town of Little Elm, Texas on behalf of said Town.

(SEAL)

\_\_\_\_\_  
Notary Public, State of Texas

\_\_\_\_\_  
Name printed or typed

Commission Expires:\_\_\_\_\_

[Signature Page Landowner Agreement]

**LANDOWNER:**

MM Little Elm 43, LLC,  
a Texas limited liability company

By: MMM Ventures, LLC,  
a Texas limited liability company  
Its Manager

By: 2M Ventures, LLC,  
a Delaware limited liability company  
Its Manager

By: \_\_\_\_\_  
Name: Mehrdad Moayed  
Its: Manager

Date: \_\_\_\_\_

STATE OF TEXAS                   §  
   §  
COUNTY OF DALLAS           §

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_,  
2024 by Mehrdad Moayed, Manager of 2M Ventures, LLC, as Manager of MMM Ventures,  
LLC, as Manager of MM Little Elm 43, LLC, a Texas limited liability company on behalf of said  
company.

(SEAL)

\_\_\_\_\_  
Notary Public, State of Texas

\_\_\_\_\_  
Name printed or typed

Commission Expires:\_\_\_\_\_

[Signature Page Landowner Agreement]

**LANDOWNER AGREEMENT - EXHIBIT I**  
**DESCRIPTION OF LANDOWNER'S PARCEL**

BEING that certain tract of land situated in the Marsella Jones Survey, Abstract No. 662, in the Town of Little Elm, Denton County, Texas, and being part of that certain tract of land described in deed to Robert G. Penley recorded in Volume 623, Page 106, of the Real Property Records of Denton County, Texas (RPRDCT), and part of that certain tract of land described in deed to Robert G. Penley and Faith Penley recorded in Volume 2210, Page 648, RPRDCT, and being more particularly described by metes and bounds as follows:

BEGINNING at a Army Corps of Engineers monument found at the northeast corner of said Robert G. Penley tract recorded in Volume 623, Page 106, RPRDCT, said monument being located on the south right-of-way line of US Highway 380 (a variable-width right-of-way), and also being located on the west "take line" of Lake Lewisville;

THENCE with said west "take line", the following courses to Army Corps of Engineers monuments found:

South 27°07'16" West, a distance of 875.52 feet;

South 40°18'51" West, a distance of 544.09 feet;

South 09°54'29" East, a distance of 217.10 feet;

South 57°22'24" West, a distance of 298.04 feet;

North 82°50'29" West, a distance of 641.93 feet;

North 05°25'44" East, a distance of 396.40 feet;

And South 42°17'36" West, a distance of 385.19 feet, said monument being located on the east line of that certain tract of land described in deed to MM Little Elm 548, LLC recorded in Instrument No. 2020-123025, RPRDCT;

THENCE with said east line, the following courses:

North 05°42'19" East, a distance of 621.88 feet to a 5/8" iron rod found;

And South 88°08'15" East, a distance of 170.04 feet to a 5/8" capped iron rod found;

THENCE North 03°11'21" East, continuing with said east line of the MM Little Elm 548, LLC tract, and the east line of that certain tract of land described in deed to Spiritas Ranch Enterprises recorded in Volume 2737, Page 126, RPRDCT, a distance of 653.60 feet;

THENCE departing said east line of the Spiritas Ranch Enterprises tract, and over and across said Robert G. Penley tract recorded in Volume 623, Page 106, RPRDCT, the following courses:

South 84°22'49" East, a distance of 502.60 feet;

And North 05°15'54" East, a distance of 200.74 feet to a point located in said south right-of-way line of US Highway 380;

THENCE South 84°36'22" East, with said south right-of-way line of US Highway 380, a distance of 80.00 feet;

THENCE departing said south right-of-way line of US Highway 380, the following courses:

South 05°15'54" West, a distance of 201.00 feet;

South 87°10'23" East, a distance of 514.31 feet;

And North 01°53'44" East, a distance of 209.31 feet to a point located on said south right-of-way line of US Highway 380;

THENCE South 88°16'39" East with said south right-of-way line of US Highway 380, a distance of 50.00 feet;

THENCE departing said south right-of-way line of US Highway 380, and over and across said Robert G. Penley tract recorded in Volume 623, Page 106, RPRDCT, the following courses:

South 01°53'44" West, a distance of 210.27 feet;

South 87°10'23" East, a distance of 52.86 feet;

North 41°38'43" East, a distance of 60.89 feet;

North 41°48'16" East, a distance of 45.80 feet;

North 43°25'46" East, a distance of 25.15 feet;

North 51°51'09" East, a distance of 24.67 feet;

North 54°02'19" East, a distance of 12.14 feet;

North 48°36'19" East, a distance of 10.43 feet;

North 37°47'16" East, a distance of 9.58 feet;

North 15°43'13" East, a distance of 5.97 feet;

North 12°02'26" East, a distance of 10.27 feet;

North 00°46'57" West, a distance of 14.90 feet;

North 11°51'34" West, a distance of 38.07 feet;

And North 14°47'27" West, a distance of 5.08 feet to a point located in said south right-of-way line of US Highway 380;

THENCE South 88°16'39" East with said south right-of-way line of US Highway 380, a distance of 233.52 feet to the POINT OF BEGINNING, containing an area of 38.468 acres of land.

## LANDOWNER AGREEMENT - EXHIBIT II

### DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

This **DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS** (as it may be amended from time to time, this “Declaration”) is made as of \_\_\_\_\_, 2024 by **MM LITTLE ELM 43, LLC**, a Texas limited liability company (the “Landowner”).

#### RECITALS:

- A. The Landowner holds record title to that portion of the real property located in Denton County, Texas, which is described in the attached **Exhibit I** (the “Landowner’s Parcel”).
- B. The Town Council of the Town of Little Elm (the “Town Council”) upon a petition requesting the establishment of a public improvement district covering the property within the District to be known as the Spiritas East Public Improvement District (the “District”) by the then current owners of 100% of the appraised value of the taxable real property and 100% of the area of all taxable real property within the area requested to be included in the District created such District, in accordance with the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the “PID Act”).
- C. The Town Council has adopted an assessment ordinance to levy assessments for certain public improvements (including all exhibits and attachments thereto, the “Additional Authorized Improvements Assessment Ordinance”) and the Service and Assessment Plan included as an exhibit to the Additional Authorized Improvements Assessment Ordinance (as amended from time to time, the “Service and Assessment Plan”), and has levied the assessments (as amended from time to time, the “Assessments”) on property in the District.
- D. The statutory notification required by Texas Property Code, Section 5.014, as amended, to be provided by the seller of residential property that is located in a public improvement district established under Chapter 372 of the Texas Local Government Code, as amended, to the purchaser, is incorporated into these Covenants, Conditions and Restrictions.

#### DECLARATIONS:

NOW, THEREFORE, the Landowner hereby declares that the Landowner’s Parcel is and shall be subject to, and hereby imposes on the Landowner’s Parcel, the following covenants, conditions and restrictions:

#### 1. Acceptance and Approval of Assessments and Lien on Property:

- (a) Landowner accepts each Assessment levied on the Landowner’s Parcel owned by such Landowner.
- (b) The Assessment (including any reassessment, the expense of collection, and reasonable attorney’s fees, if incurred) is (a) a first and prior lien (the “Assessment Lien”) against the property assessed, superior to all other liens or claims except for



liens or claims for state, county, school district or municipality ad valorem property taxes whether now or hereafter payable, and (b) a personal liability of and charge against the owners of the property to the extent of their ownership regardless of whether the owners are named. The Assessment Lien is effective from the date of the Additional Authorized Improvements Assessment Ordinance until the Assessments are paid and may be enforced by the Town in the same manner as an ad valorem property tax levied against real property that may be enforced by the Town. The owner of any assessed property may pay, at any time, the entire Assessment levied against any such property. Foreclosure of an ad valorem property tax lien on property within the District will not extinguish the Assessment or any unpaid but not yet due annual installments of the Assessment, and will not accelerate the due date for any unpaid and not yet due annual installments of the Assessment.

It is the clear intention of all parties to these Declarations of Covenants, Conditions and Restrictions, that the Assessments, including any annual installments of the Assessments (as such annual installments may be adjusted, decreased or extended), are covenants that run with the Landowner's Parcel and specifically binds the Landowner, its successors and assigns.

In the event of delinquency in the payment of any annual installment of the Assessment, the Town is empowered to order institution of an action in district court to foreclose the related Assessment Lien, to enforce personal liability against the owner of the real property for the Assessment, or both. In such action the real property subject to the delinquent Assessment may be sold at judicial foreclosure sale for the amount of such delinquent property taxes and Assessment, plus penalties, interest and costs of collection.

**2. Landowner or any subsequent owner of the Landowner's Parcel waives:**

- (a) any and all defects, irregularities, illegalities or deficiencies in the proceedings establishing the District and levying and collecting the Assessments or the annual installments of the Assessments;
- (b) any and all notices and time periods provided by the PID Act including, but not limited to, notice of the establishment of the District and notice of public hearings regarding the levy of Assessments by the Town Council concerning the Assessments;
- (c) any and all defects, irregularities, illegalities or deficiencies in, or in the adoption of, the Additional Authorized Improvements Assessment Ordinance by the Town Council;
- (d) any and all actions and defenses against the adoption or amendment of the Service and Assessment Plan, the Town's finding of a 'special benefit' pursuant to the PID Act and the Service and Assessment Plan, and the levy of the Assessments; and

- (e) any right to object to the legality of any of the Assessments or the Service and Assessment Plan or to any of the previous proceedings connected therewith which occurred prior to, or upon, the Town Council's levy of the Assessments.
3. **Amendments:** This Declaration may be terminated or amended only by a document duly executed and acknowledged by the then-current owner(s) of the Landowner's Parcel and the Town. No such termination or amendment shall be effective until a written instrument setting forth the terms thereof has been executed by the parties by whom approval is required as set forth above and recorded in the real Property Records of Denton County, Texas.
4. **Third Party Beneficiary:** The Town is a third party beneficiary to this Declaration and may enforce the terms hereof.
5. **Notice to Subsequent Purchasers:** Upon the sale of a dwelling unit within the District, the purchaser of such property shall be provided a written notice that reads substantially similar to the following:

**TEXAS PROPERTY CODE SECTION 5.014**

**NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENT DISTRICT  
ASSESSMENT TO THE TOWN OF LITTLE ELM, DENTON COUNTY, TEXAS  
CONCERNING THE PROPERTY AT [Street Address]**

As the purchaser of this parcel of real property, you are obligated to pay an assessment to the Town of Little Elm, Texas, for improvement projects undertaken by a public improvement district under Chapter 372 of the Texas Local Government Code, as amended. The assessment may be due in periodic installments.

The amount of the assessment against your property may be paid in full at any time together with interest to the date of payment. If you do not pay the assessment in full, it will be due and payable in annual installments (including interest and collection costs). More information concerning the amount of the assessment and the due dates of that assessment may be obtained from the Town of Little Elm, 100 West Eldorado Parkway, Little Elm, Texas 75068

Your failure to pay the assessment or the annual installments could result in a lien and in the foreclosure of your property.

Signature of Purchaser(s) \_\_\_\_\_ Date: \_\_\_\_\_

The seller shall deliver this notice to the purchaser before the effective date of an executory contract binding the purchaser to purchase the property. The notice may be given separately, as part of the contract during negotiations, or as part of any other notice the seller delivers to the purchaser. If the notice is included as part of the executory contract or another notice, the title of the notice prescribed by this section, the references to the street address and date in the notice, and the purchaser's signature on the notice may be omitted.

EXECUTED by the undersigned on the date set forth below to be effective as of the date first above written.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

STATE OF TEXAS       )  
                                  )  
COUNTY OF DALLAS    )

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2024 by \_\_\_\_\_, \_\_\_\_\_ of \_\_\_\_\_, on behalf of said entity.

\_\_\_\_\_  
Notary Public, State of Texas

My Commission Expires:

\_\_\_\_\_

## **LANDOWNER AGREEMENT - EXHIBIT III**

### **HOMEBUYER EDUCATION PROGRAM**

As used in this **Exhibit III**, the recorded Notice of the Authorization and Establishment of the Spiritas East Public Improvement District and the Covenants, Conditions and Restrictions in **Exhibit II** of this Agreement are referred to as the “Recorded Notices.”

1. Any Landowner who is a Builder shall attach the Recorded Notices and the final Assessment Roll for such Assessed Parcel (or if the Assessment Roll is not available for such Assessed Parcel, then a schedule showing the maximum 30 year payment for such Assessed Parcel) as an addendum to any residential homebuyer’s contract.
2. Any Landowner who is a Builder shall provide evidence of compliance with 1 above, signed by such residential homebuyer, to the Town.
3. Any Landowner who is a Builder shall prominently display signage in its model homes, if any, substantially in the form of the Recorded Notices.
4. If prepared and provided by the Town, any Landowner who is a Builder shall distribute informational brochures about the existence and effect of the District in prospective homebuyer sales packets.
5. Any Landowner who is a Builder shall include Assessments in estimated property taxes, if such Builder estimates monthly ownership costs for prospective homebuyers.

Exhibit B to Resolution  
Additional Authorized Improvements Reimbursement  
Agreement

## **ADDITIONAL AUTHORIZED IMPROVEMENTS REIMBURSEMENT AGREEMENT**

This Additional Authorized Improvements Reimbursement Agreement (this “Reimbursement Agreement”) is executed by and between the Town of Little Elm, Texas (the “Town”) and MM Little Elm 43, LLC, a Texas limited liability company (the “Developer”) (individually referred to as a “Party” and collectively as the “Parties”) to be effective February 20, 2024 (the “Effective Date”).

### **RECITALS**

**WHEREAS**, capitalized terms used in this Reimbursement Agreement shall have the meanings given to them in this Reimbursement Agreement or in the *Spiritas East Public Improvement District Service and Assessment Plan*, dated February 20, 2024, as the same may be further amended, supplemented, and updated from time to time (the “SAP”) approved by Ordinance No. 1750 passed and approved by the Town Council on February 20, 2024; and

**WHEREAS**, on November 16, 2021, Town Council passed and approved Resolution No. 1116202103 authorizing the creation of the Spiritas East Public Improvement District (the “District”) covering approximately 38.468 acres of land described by metes and bounds in said Resolution (the “District Property”); and

**WHEREAS**, the purpose of the District is to finance public improvements (the “Authorized Improvements”) as provided by Chapter 372, Texas Local Government Code, as amended (the “PID Act”) that promote the interests of the Town and confer a special benefit on the Assessed Property within the District; and

**WHEREAS**, the District Property is being developed, and special assessments have been levied against the Assessed Property to pay the costs of Initial Authorized Improvements (as defined in the SAP) that confer a special benefit on the Assessed Property; and

**WHEREAS**, Additional Authorized Improvements (as defined in the SAP) have been or are to be constructed and/or acquired by the Town within and/or for the benefit of the Assessed Property, as described and depicted in the SAP; and

**WHEREAS**, on February 6, 2024 the Town Council passed and approved Resolution No. 0206202401 determining, among other things, the estimated costs of the Additional Authorized Improvements; and

**WHEREAS**, on February 20, 2024, the Town Council passed and approved Ordinance No. 1750 (the “Assessment Ordinance”) which, among other things, approved the SAP (including the Assessment Roll – Additional Authorized Improvements attached as Appendix H to the SAP), levied assessments, and established the dates upon which interest on assessments will begin to accrue and collection of assessments will begin; and

**WHEREAS**, in addition to approving the SAP, the Assessment Ordinance levied assessments against the Assessed Property for the Additional Authorized Improvements in

accordance with the Assessment Roll – Additional Authorized Improvements attached as Appendix H to the SAP; and

**WHEREAS**, the SAP established \$1,024,500.00 as the cost of the Additional Authorized Improvements, a portion of which has been assessed against the Assessed Property (the “Additional Authorized Improvements Costs”); and

**WHEREAS**, the SAP allocated the Additional Authorized Improvements Costs to the Assessed Property, and the SAP contemplated the allocation of the Additional Authorized Improvements Costs among the single-family residential lots to be created from the subdivision of the Assessed Property; and

**WHEREAS**, assessments against Assessed Property are reflected on the (i) Assessment Roll – Additional Authorized Improvements and (ii) Assessment Roll – Initial Authorized Improvements as approved by the Town Council; and

**WHEREAS**, the SAP and the Assessment Ordinance provide, in part, that an assessment or assessments may be paid in full, and if an assessment is not paid in full, it shall be due and payable in Annual Installments plus interest as described in Appendix I of the SAP or until the assessment is paid in full; and

**WHEREAS**, after satisfaction of the portion of the debt service requirements of the Series 2022 PID Bonds (as defined in the SAP) allocable to the Assessed Property and all other amounts required to be deposited pursuant to Section 6.3(a)(i)-(v) of the Trust Indenture (as defined in the SAP) for the Series 2022 PID Bonds (the “2022 Indenture”), the Assessment Revenues received and collected by the Town from the collection of the Assessments, or the Annual Installments thereof (excluding Delinquent Collection Costs, and Annual Collection Costs) (the “Additional Authorized Improvements Assessment Revenue”) shall be deposited as required by the PID Act and into an assessment fund that is segregated from all other funds of the Town (the “Additional Authorized Improvements Assessment Fund”); and

**WHEREAS**, the Additional Authorized Improvements Assessment Revenue deposited into the Additional Authorized Improvements Assessment Fund shall be used to reimburse Developer and its assigns, pursuant to a completed Reimbursement Payment Request (defined herein), for the Additional Authorized Improvements Costs, advanced by the Developer in an amount not to exceed \$350,000.00 plus interest; and

**WHEREAS**, the Parties agree that this Reimbursement Agreement supersedes and replaces any prior agreements (whether written or oral) including any amendments to those prior agreements between the Parties regarding the subject matter hereof; and

**WHEREAS**, the obligations of the Town to use the Assessments hereunder is authorized by the PID Act;

**NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS OF THE PARTIES SET FORTH IN THIS REIMBURSEMENT**

**AGREEMENT AND FOR VALUABLE CONSIDERATION THE RECEIPT AND ADEQUACY OF WHICH ARE ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:**

1. The recitals in the “WHEREAS” clauses of this Reimbursement Agreement are true and correct, create obligations of the Parties, and are incorporated as part of this Reimbursement Agreement for all purposes.
2. Strictly subject to the terms, conditions, and requirements and solely from Additional Authorized Improvements Assessment Revenue as herein provided, the Town agrees to pay the Developer and its assigns, and the Developer and its assigns shall be entitled to receive from the Town, the amount equal to the actual costs of the Additional Authorized Improvements paid by the Developer for the Additional Authorized Improvements that were within budgeted costs, or authorized overrun costs, that were paid by the Developer plus interest on the unpaid balance in accordance with the terms of this Reimbursement Agreement until September 30, 2051 (the “Maturity Date”), and which shall be reimbursed to the Developer and its assigns in a principal amount not to exceed \$350,000.00 (the “Reimbursement Amount”), plus interest accrued, as hereinafter provided. The Town hereby covenants to create, concurrently with the execution of this Reimbursement Agreement, a separate fund to be designated the “Additional Authorized Improvements Assessment Fund.” The Reimbursement Amount is payable from monies to be deposited in the Additional Authorized Improvements Assessment Fund, as described below:
  - a. The Reimbursement Amount is payable solely from the Additional Authorized Improvements Assessment Revenue received and collected by or on behalf of the Town and deposited into the Additional Authorized Improvements Assessment Fund. The Additional Authorized Improvements Assessment Revenue shall be received, collected and deposited into the Additional Authorized Improvements Assessment Fund subject to the following limitations:
    - i. Calculation of the Assessments and the first Annual Installment for a Lot or Parcel shall begin as provided for in the SAP and the Assessment Ordinance.
    - ii. The Assessments collected pursuant to the Assessment Roll – Additional Authorized Improvements (the “Additional Assessments”) shall accrue interest at the rates set forth in this Section 2. Interest shall continue on the unpaid principal amount of the Additional Assessments for a Lot for the earlier of 27 years or until the Additional Assessments for such Lot are paid in full, and as described in the Assessment Roll – Additional Authorized Improvements.
    - iii. The Developer and its assigns shall be reimbursed in a combined aggregate amount not to exceed \$350,000.00 plus interest from the Additional Authorized Improvements Assessment Fund.



- iv. The unpaid Reimbursement Amount shall bear simple interest per annum at the rate of (x) 5.67% for years one through five, and (y) 5.67% for years following year five. The interest rate has been approved by the Town Council and is authorized by the PID Act and was determined based upon *The Bond Buyer*, a daily publication that publishes this interest rate index, which the highest average index rate for tax-exempt bonds reported in the previous month was 3.67%. The interest rate of 5.67% and 5.67% contained herein comply with Subsections 372.023(e)(1) and (e)(2) of the PID Act.
3. The amount of the Reimbursement Amount that has not been paid, plus the interest accrued as described in Section 2(a)(iv) above, are collectively, the “Unpaid Balance.” The Unpaid Balance is secured by and payable solely from the Additional Authorized Improvements Assessment Revenue received and collected by the Town and deposited into the Additional Authorized Improvements Assessment Fund. No other Town funds, revenue, taxes, or income of any kind shall be used to pay the Unpaid Balance, even if the Unpaid Balance is not paid in full by the Maturity Date. This Reimbursement Agreement shall not, under any circumstances, give rise to or create a charge against the general credit or taxing power of the Town or a debt or other obligation of the Town payable from any source other than Additional Authorized Improvements Assessment Revenue received, collected and deposited into the Additional Authorized Improvements Assessment Fund. The Developer further agrees to look solely to the Additional Authorized Improvements Assessment Revenue, and not the Town’s general fund or any other revenues (including the revenues collected from Assessments which are pledged to secure the Series 2022 PID Bonds), taxes, income, property, or other funds of the Town for reimbursement of the Unpaid Balance. The Town covenants that it will comply with the provisions of this Reimbursement Agreement and the PID Act, including provisions relating to the administration of the District and the enforcement and collection of taxes and assessments, and all other covenants provided therein. Notwithstanding its collection efforts, if the Town fails to receive all or any part of the Additional Authorized Improvements Assessment Revenue and, as a result, is unable to make transfers from the Additional Authorized Improvements Assessment Fund for payments to the Developer as required under this Reimbursement Agreement, such failure and inability shall not constitute a Failure or Default by the Town under this Reimbursement Agreement.
4. The Town shall authorize reimbursement for the Additional Authorized Improvements from the Additional Authorized Improvements Assessment Fund pursuant to a completed reimbursement form (the “Reimbursement Payment Request”), as set forth in **Exhibit A** attached hereto, executed by a representative of the Developer and provided no more frequently than once per month to the Town and Town Engineer at the following address: 100 W. Eldorado Parkway, Little Elm, Texas 75068. Within thirty (30) days of receipt of any Reimbursement Payment Request, the Town Engineer shall either (i) approve and execute the Reimbursement Payment Request, and upon such approval the Town shall tender payment from those funds available in the Additional Authorized Improvements Assessment Fund, or (ii) in the event the Town Engineer disapproves the Reimbursement Payment Request, give written notification to the Developer of the Town’s disapproval, in whole or in part, of such Reimbursement Payment Request, specifying the reasons for such

disapproval and the additional requirements to be satisfied for approval of such Reimbursement Payment Request. If a Reimbursement Payment Request seeking reimbursement is approved only in part, the Town Engineer shall specify the extent to which the Reimbursement Payment Request is approved and shall deliver payment for such partially approved Reimbursement Payment Request.

5. The Developer has the right to convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part without the consent of (but with written notice to) the Town, the Developer's right, title, or interest under this Reimbursement Agreement including, but not limited to, any right, title, or interest of the Developer in and to payment of the Unpaid Balance (any of the foregoing, a "Transfer," and the person or entity to whom the Transfer is made, a "Transferee"). Notwithstanding the foregoing, however, no Transfer shall be effective until five days after notice of the Transfer is received by the Town, including for each Transferee the information required by Section 9 below. The Town may rely on any notice of a Transfer received from the Developer without obligation to investigate or confirm the validity or occurrence of such Transfer. No conveyance, transfer, assignment, mortgage, pledge or other encumbrance shall be made by the Developer or any successor or assignee of the Developer that results in the Town being an "obligated person" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission without the express written consent of the Town. The Town shall not be required to make payments pursuant to this Agreement to more than five parties. Any assignment by a Transferee of its rights, title or interest under this Agreement shall be subject to the requirements of the Developer under this Section. The Developer waives all rights or claims against the Town for any such funds provided to a third party as a result of a Transfer for which the Town has received notice.
6. The obligations of the Town under this Reimbursement Agreement are non-recourse and payable only from the Additional Authorized Improvements Assessment Fund and such obligations do not create a debt or other obligation payable from any other Town revenues, taxes, income, or property. None of the Town or any of its elected or appointed officials or any of its officers or employees shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of this Reimbursement Agreement or their acts or omissions under this Reimbursement Agreement.
7. If the Developer is in compliance with the Development Agreement, (as defined in the SAP, as amended) and following the Town's inspection and approval of the Additional Authorized Improvements, there will be no conditions or defenses to the obligation of the Town to use funds in the Additional Authorized Improvements Assessment Fund to pay the Unpaid Balance.
8. Nothing in this Reimbursement Agreement is intended to constitute a waiver by the Town of any remedy the Town may otherwise have outside this Reimbursement Agreement against the Developer, any Transferee, or any other person or entity involved in the design, construction or installation of the Additional Authorized Improvements. The obligations of Developer hereunder shall be those as a Party hereto and not solely as an owner of property in the District. Nothing herein shall be constructed, nor is intended, to affect the

Town's or Developer's rights and duties to perform their respective obligations under other agreements, regulations and ordinances.

9. This Reimbursement Agreement is being executed and delivered, and is intended to be performed in the State of Texas. Except to the extent that the laws of the United States may apply to the terms hereof, the substantive laws of the State of Texas shall govern the validity, construction, enforcement, and interpretation of this Reimbursement Agreement. In the event of a dispute involving this Reimbursement Agreement, venue for such dispute shall lie in any court of competent jurisdiction in Denton County, Texas.
10. Any notice required or contemplated by this Reimbursement Agreement shall be signed by or on behalf of the Party giving the Notice, and shall be deemed effective as follows: (i) when delivered by a national company such as FedEx or UPS with evidence of delivery signed by any person at the delivery address regardless of whether such person was the named addressee; or (ii) 72 hours after the notice was deposited with the United States Postal Service, Certified Mail, Return Receipt Requested. Any Party may change its address by delivering written notice of such change in accordance with this section. All Notices given pursuant to this Section shall be addressed as follows:

To the Town:                   Attn: Town Manager  
Town of Little Elm, Texas  
100 W. Eldorado Parkway  
Little Elm, Texas 75068

With a copy to:               Attn: Robert Brown  
Brown & Hofmeister, LLP  
740 E. Campbell Rd., Ste. 800  
Richardson, Texas 75081

To the Developer:           Attn: Mehrdad Moayed  
MM Little Elm 43, LLC  
1800 Valley View Lane, Suite 300  
Farmers Branch, Texas 75234

And to:                       Attn: Travis Boghetich  
Boghetich Law, PLLC  
1800 Valley View Lane, Suite 360  
Farmers Branch, Texas 75234

11. Failure; Default; Remedies:

- a. If either Party fails to perform an obligation imposed on such Party by this Reimbursement Agreement (a "Failure") and such Failure is not cured after written notice and the expiration of the cure periods provided in this section, then such Failure shall constitute a "Default." Upon the occurrence of a Failure by a non-performing Party, the other Party shall notify the non-performing Party and all

Transferees of the non-performing Party in writing specifying in reasonable detail the nature of the Failure. The non-performing Party to whom notice of a Failure is given shall have at least 30 days from receipt of the notice within which to cure the Failure; however, if the Failure cannot reasonably be cured within 30 days and the non-performing Party has diligently pursued a cure within such 30-day period and has provided written notice to the other Party that additional time is needed, then the cure period shall be extended for an additional 30 day period so long as the non-performing Party is diligently pursuing a cure. Any Transferee shall have the same rights as the Developer to enforce the obligations of the Town under this Reimbursement Agreement and shall also have the right, but not the obligation, to cure any alleged Failure by the Developer within the same time periods that are provided to the Developer. The election by a Transferee to cure a Failure by the Developer shall constitute a cure by the Developer but shall not obligate the Transferee to be bound by this Reimbursement Agreement with respect to Developer obligations under this Reimbursement Agreement unless the Transferee agrees to be bound.

- b. If the Developer is in Default, the Town shall have available all remedies at law or in equity, provided that no Default by the Developer shall: (1) affect the obligations of the Town to use the amounts transferred to the Additional Authorized Improvements Assessment Fund as provided in Sections 2 and 3 of this Reimbursement Agreement; or (2) entitle the Town to terminate this Reimbursement Agreement.
  - c. If the Town is in Default, the Developer's sole and exclusive remedies shall be to: (1) seek a writ of mandamus to compel performance by the Town; or (2) seek specific enforcement of this Reimbursement Agreement.
- 12. The failure by a Party to insist upon the strict performance of any provision of this Reimbursement Agreement by the other Party, or the failure by a Party to exercise its rights upon a Default by the other Party shall not constitute a waiver of such Party's right to insist and demand strict compliance by such other Party with the provisions of this Reimbursement Agreement.
  - 13. The Town does not waive or surrender any of its governmental powers, immunities, or rights except to the extent permitted by law and necessary to allow the Developer to enforce its remedies under this Reimbursement Agreement.
  - 14. Nothing in this Reimbursement Agreement, express or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the Town and the Developer and its assigns any rights, remedies, or claims under or by reason of this Reimbursement Agreement, and all covenants, conditions, promises, and agreements in this Reimbursement Agreement shall be for the sole and exclusive benefit of the Town and the Developer.

15. The Parties acknowledge that each has been actively involved in negotiating this Reimbursement Agreement. Accordingly, the rule of construction that any ambiguities are to be resolved against the drafting Party will not apply to interpreting this Reimbursement Agreement. In the event of any dispute over the meaning or application of any provision of this Reimbursement Agreement, the provision will be interpreted fairly and reasonably and neither more strongly for nor against any Party, regardless of which Party originally drafted the provision.
16. In this Reimbursement Agreement, time is of the essence and compliance with the times for performance herein is required.
17. The Town represents and warrants that this Reimbursement Agreement has been approved by official action by the Town Council of the Town in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Reimbursement Agreement on behalf of the Town has been duly authorized to do so. The Developer represents and warrants that this Reimbursement Agreement has been approved by appropriate action of the Developer, and that the individual executing this Reimbursement Agreement on behalf of the Developer has been duly authorized to do so. Each Party respectively acknowledges and agrees that this Reimbursement Agreement is binding upon such Party and is enforceable against such Party, in accordance with its terms and conditions and to the extent provided by law.
18. This Reimbursement Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements, whether oral or written, covering the subject matter of this Reimbursement Agreement; provided, however, in the event of a conflict between any of the terms of this Reimbursement Agreement and the 2022 Indenture, the terms of the 2022 Indenture shall control. This Reimbursement Agreement shall not be modified or amended except in writing signed by the Parties. If any provision of this Reimbursement Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then: (a) such unenforceable provision shall be deleted from this Reimbursement Agreement; (b) the unenforceable provision shall, to the extent possible and upon mutual agreement of the parties, be rewritten to be enforceable and to give effect to the intent of the Parties; and (c) the remainder of this Reimbursement Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties.
19. This Reimbursement Agreement may be executed in any number of counterparts, each of which shall be deemed an original.
20. The Parties agree that at any time after execution of this Reimbursement Agreement, they will, upon request of another Party, execute and deliver such further documents and do such further acts and things as the other Party may reasonably request in order to effectuate the terms of this Reimbursement Agreement. This provision shall not be construed as limiting or otherwise hindering the legislative discretion of the Town Council seated at the time that this Reimbursement Agreement is executed or any future Town Council.

21. The term of this Reimbursement Agreement is twenty-seven (27) years, or until the Unpaid Balance is paid in full, whichever occurs first.
22. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Reimbursement Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to force majeure, to perform its obligations under this Reimbursement Agreement, then the obligations affected by the force majeure shall be temporarily suspended. Within three (3) business days after the occurrence of a force majeure, the Party claiming the right to temporarily suspend its performance, shall give Notice to all the Parties, including a detailed explanation of the force majeure and a description of the action that will be taken to remedy the force majeure and resume full performance at the earliest possible time. The term “force majeure” shall include events or circumstances that are not within the reasonable control of Party whose performance is suspended and that could not have been avoided by such Party with the good faith exercise of good faith, due diligence and reasonable care.
23. Statutory Verifications.

The Developer makes the following representation and verifications to enable the Town to comply with Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the “Government Code”), in entering into this Reimbursement Agreement. As used in such verifications, “affiliate” means an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Reimbursement Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Reimbursement Agreement, notwithstanding anything in this Indenture to the contrary.

a. Not a Sanctioned Company. The Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

b. No Boycott of Israel. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Reimbursement Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.\_

c. No Discrimination Against Firearm Entities. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity

or firearm trade association during the term of this Reimbursement Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

d. No Boycott of Energy Companies. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Reimbursement Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

24. Form 1295. Submitted herewith is a completed Form 1295 in connection with the Developer’s participation in the execution of this Reimbursement Agreement generated by the Texas Ethics Commission’s (the “TEC”) electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the “Form 1295”). The Town hereby confirms receipt of the Form 1295 from the Developer, and the Town agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the receipt of such form. The Developer and the Town understand and agree that, with the exception of information identifying the Town and the contract identification number, neither the Town nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Developer; and, neither the Town nor its consultants have verified such information.

[SIGNATURE PAGES TO FOLLOW]

Executed by Developer and Town to be effective on the Effective Date.

**TOWN OF LITTLE ELM**

By: \_\_\_\_\_  
Name: Curtis J. Cornelious  
Title: Mayor

ATTEST:

By: \_\_\_\_\_  
Name: Caitlan Biggs  
Title: Town Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
Attn: Robert Brown, Town Attorney

STATE OF TEXAS                   §  
   §  
COUNTY OF DENTON           §

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_ 2024 by \_\_\_\_\_, Mayor of the Town of Little Elm, Texas on behalf of the Town.

\_\_\_\_\_  
Notary Public, State of Texas

[Town of Little Elm Signature Page for Additional Authorized Improvements Reimbursement Agreement]



**DEVELOPER:**

**MM LITTLE ELM 43, LLC,**  
a Texas limited liability company

By: MMM Ventures, LLC,  
a Texas limited liability company  
Its Manager

By: 2M Ventures, LLC,  
a Delaware limited liability company  
Its Manager

By: \_\_\_\_\_  
Name: Mehrdad Moayed  
Its: Manager

**STATE OF TEXAS**                   §  
   §  
**COUNTY OF** \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2024 by Mehrdad Moayed, Manager of 2M Ventures, LLC, as Manager of MMM Ventures, LLC, as Manager of MM Little Elm 43, LLC, a Texas limited liability company on behalf of said company.

\_\_\_\_\_  
Notary Public, State of Texas

[Developer Signature Page for Additional Authorized Improvements Reimbursement Agreement]

**EXHIBIT A**  
**REIMBURSEMENT PAYMENT REQUEST**

REIMBURSEMENT REQUEST NO. \_\_\_\_

Reference is made to that certain Additional Authorized Improvements Reimbursement Agreement by and between the Town and MM Little Elm 43, LLC, a Texas limited liability company (the “Developer”) dated as of February 20, 2024 (the “Reimbursement Agreement”). Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Reimbursement Agreement.

The undersigned is an agent for the Developer and requests reimbursement to the Developer (or to the person designated in writing by the Developer) from the Additional Authorized Improvements Assessment Fund as identified in the Reimbursement Agreement for labor, materials, fees, and/or other general costs related to the creation, acquisition, or construction of the Additional Authorized Improvements providing a special benefit to property within the Spiritas East Public Improvement District (the “Additional Authorized Improvements Costs”) and accrued interest thereon.

In connection with the above referenced payment, the Developer represents and warrants to the Town as follows:

1. The Additional Authorized Improvements Costs set forth in this Reimbursement Payment Request relate to Additional Authorized Improvements Costs that have previously been paid by Developer and such request is in accordance with the provisions of the Reimbursement Agreement, including limitations regarding the maximum amount due to be reimbursed to the Developer contained therein.
2. The amount to requested to be paid pursuant to of the Reimbursement Payment Request is \$\_\_\_\_\_ (consisting of \$\_\_\_\_\_ in Additional Authorized Improvements Costs and \$\_\_\_\_\_ in accrued interest).

**Payments requested hereunder shall be made as directed below:**

- a. X amount to Person or Account Y for Z goods or services.
- b. Payment instructions

Attached hereto are receipts, purchase orders, change orders, and similar instruments which support and validate the able requested payments.

I hereby declare that the above representations and warranties are true and correct.

**MM LITTLE ELM 43, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

### **APPROVAL OF REQUEST**

The Town is in receipt of the attached Reimbursement Payment Request, acknowledges the Reimbursement Payment Request, and finds the Reimbursement Payment Request to be in order. After reviewing the Reimbursement Payment Request, the Town approves the Reimbursement Payment Request to the extent set forth below and authorizes payment in such amounts and from the accounts listed below, to the Developer or other person designated by the Developer in writing.

Principal Amount to be paid from the Additional Authorized Improvements Assessment Fund	Interest to be paid from the Additional Authorized Improvements Assessment Fund	Total Amount to be paid from the Additional Authorized Improvements Assessment Fund
\$ _____	\$ _____	\$ _____

### **TOWN OF LITTLE ELM, TEXAS**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**Date:** 02/20/2024  
**Agenda Item #:** 5. C.  
**Department:** Development Services  
**Strategic Goal:** Promote and expand Little Elm's identity  
**Staff Contact:** Olga Chernomorets, Planning Manager

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#### **AGENDA ITEM:**

Hold a Public Hearing, Present, Discuss, and Consider Action on **Ordinance No. 1752 Regarding a Request to Rezone Approximately 4.9 Acres of Land, Currently Zoned Lakefront District, Generally Located North of the Intersection of Main Street and East Park Drive, within Little Elm's Town Limits, in Order to Establish a New Planned Development District, Based on Lakefront District Standards, Creating a Regulating Plan Providing a Conceptual Framework for Redevelopment of this Area.**

**Open Public Hearing:**

**Receive Public Comments:**

**Close Public Hearing:**

**Take Action on Ordinance No. 1752:**

#### **DESCRIPTION:**

##### **Location.**

Generally located north of the intersection of Main Street and East Park Drive, within Little Elm's town limits.

##### **Background.**

In 2009, the Town established the Town Center District, subsequently renamed in 2017 as the Lakefront District, which created special standards for the area and identified a desire to plan for redevelopment and to establish a pedestrian-oriented lakefront. Without an actual downtown, the Lakefront District was established to serve as the civic and cultural heart of the Town. The goal is to expand upon the Town's targeted "lakeside community character" by creating flexibility in architectural design, encouraging redevelopment and land use flexibility within the framework of a form-based development code, as well as unique and high quality development.

The goals of the Lakefront District:

1. To build on the Town's targeted "lakeside community character," with built form and

materials that are reminiscent of lakefront communities.

2. Make the sustainable through:
  1. Providing for integrated mixed use;
  2. Embodying LEED-ND (Leadership in Energy and Environmental Design Neighborhood Development) principles; and
  3. Assuring pedestrian and bicycle friendliness;
3. To provide development and land use flexibility within the framework of a form-based development code;
4. To provide a mix of residential, retail and office uses in a pedestrian and bicycle-friendly environment; and
5. To encourage high quality development through providing a balance of development standards and expeditious administrative approvals for projects which meet the intent of this Code.

The intent of the Lakefront District:

1. To provide a comfortable and attractive environment for pedestrians, which includes such things as buildings framing public space, interesting street walls, street trees, lighting, and street furniture;
2. To construct buildings close to the sidewalk and street;
3. To construct continuous building frontage along block faces except where it is desirable to provide for pedestrian and auto pass-through to parking at mid-block;
4. To provide shared parking that will benefit the entire district;
5. To encourage the use of public parks and plazas as a focus for mixed-use developments;
6. To design and build flexible buildings that can accommodate a range of uses over time;
7. To design streets, access lanes and buildings that will provide a high level of connectivity between parcels and projects for pedestrians, bicycles, and autos; and
8. To create a safe multi-modal mixed-use environment.

The Lakefront District established standards and design criteria for building form, streets and street framework, landscape, and signage. All of which are in place to ensure a cohesive and quality aesthetic of the building environment. The Lakefront District encourages mixed-use buildings and allows for a variety of retail, commercial, amusement uses, and residential uses in the form of townhomes and live-work units only, which are essentially ground floor retail with residential units above, or behind.

### **Subject Area.**

Subject area consists of 4.9-acre Frisco Park Annex Subdivision located within the Lakefront District. The subject area currently contains several vacant nonconforming lots, and vacant and occupied nonconforming structures, which, in combination with the vision for the District, and increased interest in this area in general, makes them ripe for redevelopment. However, the subject area's unique shape and layout present limitations to providing the kind of connectivity and environment envisioned through the Lakefront District, through the Comprehensive Plan.

Staff's concern is that given the amount of growing interest in this area, the current limitations and layout of the streets, and the flexible administrative allowances for development, redevelopment could occur in a disorganized manner, one or two lots at a time; permanently engraving the currently disconnected street framework.

Currently, townhome development is allowed by right and any property owner, or developer, could redevelop one or more lots without going through a zoning process, if they are able to meet the requirements of the Lakefront District. This also applies to any other uses allowed within the

Lakefront District; as long as a proposal can meet the standards of the district, the development would follow the procedures under the Lakefront District; no zoning action would be required. This means no public notification would take place and the Town would be limited to the textual design standards with regard to the design of the development.

### **Nonconforming Property.**

It is important to note that the current zoning on the land, Lakefront District, does not allow single-family detached homes, making all existing homes legal non-conforming. Even prior to the 2017 rezoning of this area to Lakefront District, the lots did not meet the zoning district, and most of the structures were, and still are, straddling lot lines. Because of the nonconformance, existing homes are able to remain as they currently stand, but they are not able to expand or be built upon, and have limitation on rebuilding in case of significant damage. In cases where damage may result in total destruction (over 51 percent of its total appraised value), a nonconforming structure may not be rebuilt as it was; any new structure would have to conform to the current zoning, Lakefront District. This information has been shared with the property owners.

Unfortunately, it appears that this is news to existing property owners. The rezoning of this particular area to Lakefront District took place in 2017, at which point all property owners would have been noticed and public hearings held. The interactive zoning map, as well as Planning and Zoning Department contact information, are available on the website and we always encourage all potential buyers to reach out and confirm zoning and site development standards prior to purchasing property within the Town. Unfortunately, it is outside of Staff's control what information is advertised during the sale of privately-owned properties.

### **Proposal.**

In working with different redevelopment projects in and around the Lakefront District, Staff realized that a concept plan and vision, specific to the subject area, are necessary in order to ensure cohesive redevelopment in the future. Currently, the Lakefront District requires a concept site plan approval, called Regulating Plan. Such action is an administrative approval which allows each individual lot to attempt redevelopment on its own. Staff has concerns that without an overall concept plan, the area will struggle to redevelop one or two lots at a time, and will not be able to provide the pedestrian-friendly environment nor the connectivity envisioned through the Lakefront District.

As a result, Staff is proposing to establish a Planned Development District, with the Lakefront District as the base zoning, to create a concept plan for the overall Frisco Park Annex Subdivision area. Staff is not proposing any modifications to the base zoning district. Establishing the Planned Development District will not only solidify the desired redevelopment vision for the area, it will ensure and encourage cohesive redevelopment with regard to layout and architectural design. Doing this through a zoning process ensures transparency as the proposed concept, as well as subsequent development proposals, will have to come before the Planning and Zoning Commission and Town Council for approval. The proposal includes a concept plan and a design vision to help guide future redevelopment.

Through a visioning exercise in coordination with a third party consultant, Staff developed a concept plan that identifies a density of approximately 13.5 units per acre, with a total of 66 townhomes. This density, while higher than that of the adjacent Lakefront Residential Overlay District, is still well below the density of the rest of the Lakefront District residential development. The proposed site is laid out in a way that creates an outward-facing development, with garage entries and alleyways interior to the site. This layout ensures that Main Street is redeveloped to provide a wide, tree-lined sidewalk, and maintains form-based code standards for block faces along

the street.

The plan includes a centrally located interior amenity space, an additional opportunity for a green open space or dog park at the northeast corner, and multiple connections to the nearby public trail system. The proposed concept plan also shows re-orientation of the existing right-of-way system in order to provide the best connectivity throughout the site, as well as the adjacent right-of-way, and allow a phased redevelopment approach.

The design vision document provides examples of the desired architectural aesthetic, variation in unit design, and color schemes that are generally supported by the Administration.

The goal of the request is to create a regulating layout plan that provides a conceptual framework, to ensure a unique, high-quality, and cohesive redevelopment opportunity for future redevelopment for the properties specifically within the Frisco Park Annex Subdivision. The proposal would not change the current zoning standards but would establish a conceptual layout that could help guide future redevelopment, ensuring townhomes instead of any of the other allowed uses within the district and ensuring a cohesive architectural design.

The proposed concept plan shows a new street framework that encourages this area to redevelop in a way that aligns with the intent of the Lakefront District to “design streets, access lanes and buildings that will provide a high level of connectivity between parcels and projects for pedestrians, bicycles;” comfortable and attractive environment; and encourages continuous building frontages along block faces. This layout would ensure that redevelopment happens on a larger scale, instead of struggling one or two properties at a time, and in a manner that creates an organized, interconnected, well-planned out neighborhood. Additionally, it is designed in a way that would require developer/s to construct the new streets as shown, and make significant improvements to otherwise outdated insufficient capacity lines, however, all the utilities would still be provided by the Town.

The proposed concept plan simply provides a layout that could potentially be implemented in phases for future redevelopment but does not, in any way, call for demolition of existing homes or eviction of existing property owners.

#### **Fire and Engineering.**

Fire and Engineering have reviewed the proposed site layout in order to ensure sufficient access, safety, and infrastructure capacity. Engineering is also supportive of the right-of-way re-orientation. The proposed concept plan has been generally approved by both departments. However, any development will require review and approval of a Site Development Permit prior to construction, as well as Council action with regard to the right-of-way re-orientation.

#### **Commission Findings.**

On December 8, 2023, at their regular meeting, the Planning and Zoning Commission heard and deliberated the request.

At the meeting, multiple residents were present to express their concerns and inquire about the project, and how the proposed concept plan impacts their properties. Others offered their vision for the future of their subdivision, expressing desire to contribute toward the design process, as well as to maintain the neighborhood as detached single family.

After hearing the resident’s concerns, the Planning and Zoning Commission expressed their desire for Staff to reach out to the community in hopes of addressing everyone’s questions regarding the zoning process, concerns over some of the issues brought up during the hearing, and the impacts

of the proposed concept plan. The request was tabled until January 18, 2024 in order to allow Staff ample time to work with the residents.

**Outreach.**

At the hearing, on December 8, 2023, Staff shared their contact information with the residents that were present and asked them to share Staff contact with the resident of their neighbors, and encouraged everyone to reach out afterward for one on one conversations. Since that time, Staff have only been in contact with one resident, who has voiced the concerns and questions of the other residents as well, but Staff has been unsuccessful in establishing communication with the rest of the residents.

On January 4, 2024, in hopes of providing additional information and again encouraging contact, Staff mailed letters to property owners with explanation of the proposed Planned Development, the importance of establishing the concept plan layout, as well as additional zoning information about their properties. Staff has still not received any calls or emails from the other residents, aside from the one resident, who has already been in contact since the first hearing and also came in to discuss the proposal in person on January 11, 2024. Below are some of the concerns outlined by this resident, that was indicated to Staff are mostly shared by the rest of the neighborhood:

- Uncomfortable with uncertainty of the design of future townhomes and desire for cohesive properties
  
- Deteriorating condition of existing street and desire for the Town to put in and maintain the new streets
- Future developer taking over their utilities, creation of PIDs and HOAs, and other possible costs to be incurred by the residents
- Homes values would decrease as a result of redevelopment
- Lot size reduction; desire for lots to remain the existing size
- Impact on existing properties to remain and limitation on redevelopment potential for individual properties
- Desire to remain in place

On January 18, 2024, the Planning and Zoning Commission heard and deliberated the request once again. The Commission discussed a variety of scenarios under the Nonconforming Section, and the difference between redevelopment potential under the current zoning and the proposed concept plan. While there is some opportunity to rebuild under current conditions, it would be very difficult for individual lots to meet the requirements of the Lakefront District, similar as it would with the proposed concept plan. The Commission also discussed their support for cohesive redevelopment but feared how the proposed concept would adversely impact the current residents, without providing a better transitioning mechanism to ensure remaining properties maintain their values.

Three of the current property owners spoke at the public hearing, voicing their concerns with regard to:

- Diminishing property rights and return on investment as a result of the proposed layout
- Uncertainty of street ownership and maintenance
- Desire to remain in place
- Fear of eminent domain action

The Planning and Zoning Commission voted to deny the request (6-1) in order for the request to move onto Town Council for their consideration.



**BUDGET IMPACT:**

This item has no budget impact.

**RECOMMENDED ACTION:**

Planning and Zoning Commission recommends denial of the proposed concept plan but requests that Town Council make their consideration and determination.

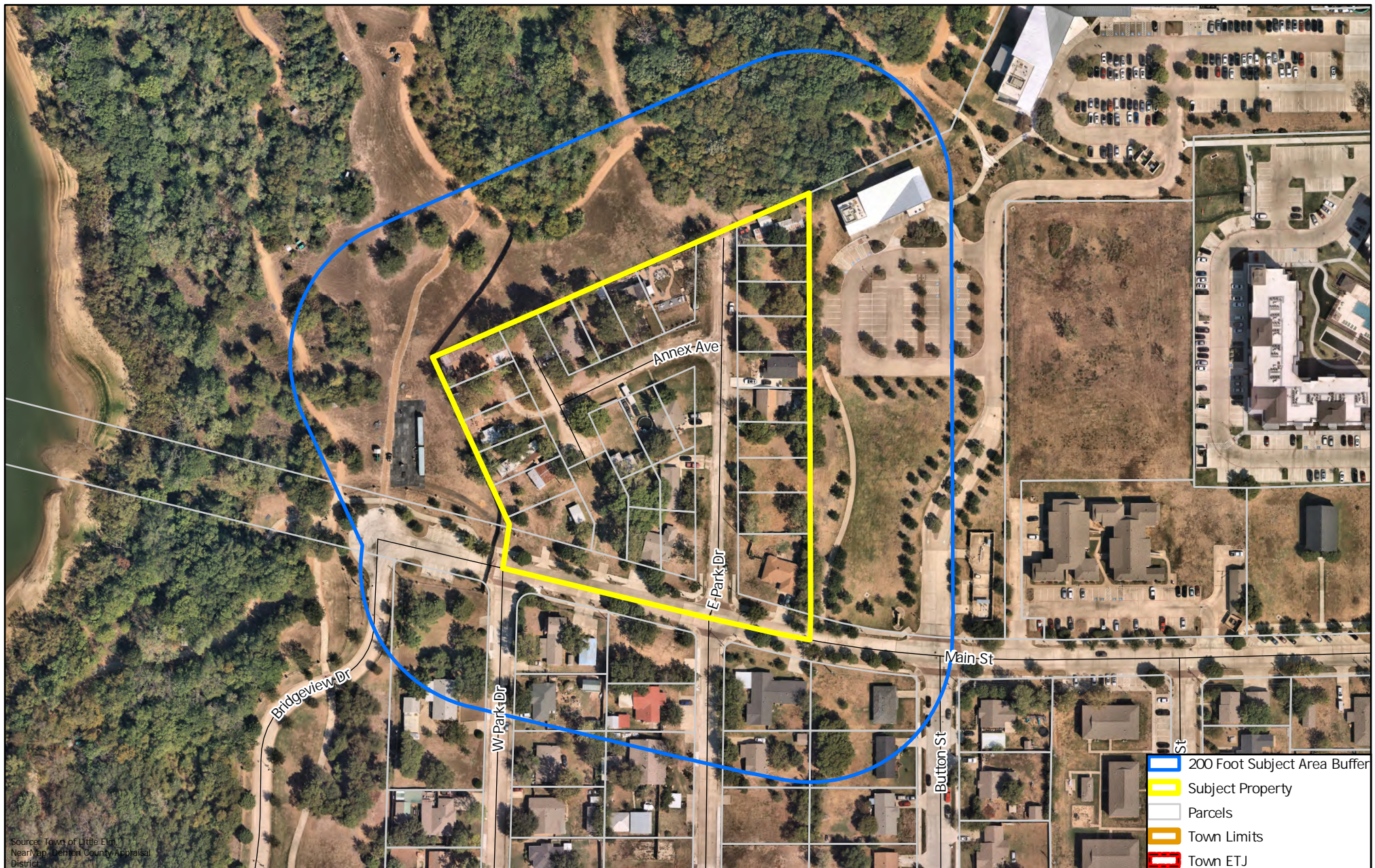
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**Attachments**

Location Map

Ordinance No. 1752 - Frisco Park Annex Regulating Plan PD





## Regulating Plan for Frisco Park Annex Subdivision Little Elm, TX 75068

**Town of Little Elm  
Denton County, Tx**

Date: 11/20/2023

0 90 180  
US Feet



This product is to be used for graphical representation only. The accuracy is not to be taken/used as data produced for engineering purposes or by a Registered Professional Land Surveyor for the State of Texas. For this level of detail, supervision and certification of the produced data by a Registered Professional Land Surveyor for the State of Texas would have to be performed. Town of Little Elm and its members assume no responsibility for the accuracy of said data.



**TOWN OF LITTLE ELM  
ORDINANCE NO. 1752**

**AN ORDINANCE OF THE TOWN OF LITTLE ELM, TEXAS, AMENDING THE COMPREHENSIVE ZONING ORDINANCE, BY ESTABLISHING A NEW PLANNED DEVELOPMENT – LAKEFRONT DISTRICT (PD-LF) IN ORDER TO ESTABLISH A NEW PLANNED DEVELOPMENT DISTRICT, BASED ON LAKEFRONT DISTRICT STANDARDS, CREATING A REGULATING PLAN WITH CONCEPTUAL FRAMEWORK FOR REDEVELOPMENT OF APPROXIMATELY 4.9 ACRES OF LAND, LOCATED NORTH OF THE INTERSECTION OF MAIN STREET AND EAST PARK DRIVE; PROVIDING A SAVINGS CLAUSE; CORRECTING THE OFFICIAL ZONING MAP; PROVIDING A PENALTY; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A REPEALER CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the Town of Little Elm ("Town") is a home rule municipal corporation organized and existing by virtue of the Constitution and laws of the State of Texas and by its Charter adopted on May 1, 2001; and

**WHEREAS**, the Town possesses all the rights, powers, and authorities possessed by all home rule municipalities, including the authority to regulate land uses under Chapter 211 of the Texas Local Government Code; and

**WHEREAS**, a Staff-initiated request for Planned Development-Lakefront District (PD-LF) based on Lakefront District Standards, on approximately 4.9 acres of land, more specifically described in the exhibits, attached hereto; and

**WHEREAS**, this zoning change is in accordance with the most current adopted Comprehensive Plan of the Town of Little Elm; and

**WHEREAS**, the Town Council and the Planning & Zoning Commission of the Town of Little Elm, in compliance with the laws of the State of Texas and the ordinances of the Town of Little Elm, have given the required notices and held the required public hearings and afforded a full and fair hearing to all property owners generally and to all persons interested in and situated in the affected area and in the vicinity thereof regarding the requested zoning change described herein; and

**WHEREAS**, at its regular meeting held on January 18, 2024 the Planning & Zoning Commission considered and made recommendations on Case No. PD-23-004986; and

**WHEREAS**, after due deliberations and consideration of the recommendation of the Planning & Zoning Commission and any other information and materials received at the public hearing, the Town Council of the Town of Little Elm, Texas, has determined that the request is in the interest of public health, safety and welfare of the citizens of the Town of Little Elm.

**NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM, TEXAS:**

**SECTION 1. INCORPORATION OF PREMISES.** The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

**SECTION 2. ZONING AMENDMENT.** That Ordinance No. 226 of the Town of Little Elm, Texas, the same being the Comprehensive Zoning Ordinance of the Town, is hereby amended by establishing a new Planned Development-Lakefront District (PD-LF) based on Lakefront District (LF) standards, on property located north of the intersection of Main Street and East Park Drive, within Little Elm's town limits, on approximately 4.9 acres of land more particularly described in **Exhibit A**, and attached hereto, subject to all of the terms and conditions set forth herein, the terms and conditions of the Comprehensive Zoning Ordinance, and all other applicable ordinances, laws, rules, regulations, and standards.

**SECTION 3. CONDITIONS AND REGULATIONS.** The permitted standards shall be in accordance with the Lakefront District (LF), and all applicable provisions of Chapter 106 – Zoning Ordinance in general, plus as generally shown within **Exhibit B**.

**SECTION 4. PLANNED DEVELOPMENT MASTER PLAN.** The Concept Plan and related plans, images, and documents approved and described as **Exhibit B** attached hereto and made a part hereof are approved. The subject property shall be generally improved in accordance with the Regulating Concept Plan and Design Vision documents forth in **Exhibit B**, providing conceptual framework and architectural design options for future redevelopment of this area.

- a) If, after two years from the date of approval of the Planned Development Master Plan, no substantial development progress has been made within the PD, then the Planned Development Master Plan shall expire. If the Planned Development Master Plan expires, a new Planned Development Master Plan must be submitted and approved according to the procedures within the Zoning Ordinance, Planned Development Districts. An extension of the two year

expiration shall be granted if a development application for the PD has been submitted and is undergoing the development review process or if the Director of Development Services determines development progress is occurring.

- b) The Planned Development Master Plan shall control the use and development of the property, and all building permits and development requests shall be in accordance with the plan until it is amended by the City Council.
- c) If a change to the Concept Plan, if any, is requested, the request shall be processed in accordance with the development standards in effect at the time the change is requested for the proposed development.

**SECTION 5. SAVINGS.** This Ordinance shall be cumulative of all other ordinances of the Town, and shall not repeal any of the provisions of those ordinances except in those instances where the provisions of those ordinances are indirect conflict with the provisions of this Ordinance; provided, however, that any complaint, notice, action, cause of action, or claim which prior to the effective date of this Ordinance has been initiated or has arisen under or pursuant to such other ordinance(s) shall continue to be governed by the provisions of that ordinance or those ordinances, and for that purpose that ordinance or those ordinances shall be deemed to remain and shall continue in full force and effect.

**SECTION 5. ZONING MAP.** The official zoning map of the Town shall be amended to reflect the changes in zoning made by this ordinance.

**SECTION 6. PENALTY.** Any person, firm, or corporation violating any of the provision of this ordinance shall be punished by a penalty of a fine not to exceed the sum of Two Thousand Dollars (\$2,000) for each offense and each and every day such offense shall continue shall be deemed to constitute a separate offense.

**SECTION 7. SEVERABILITY.** The sections, paragraphs, sentences , phrases, and words of this Ordinance are severable, and if any section or provision of this ordinance or the application of that section or provision to any person, firm, corporation, situation or circumstance is for any reason judged invalid or unconstitutional, the adjudication shall not affect any other section or provision of this ordinance or the application of any other section or provision to any person, firm, corporation, situation or circumstance, nor shall adjudication affect any other section or provision of the Comprehensive Zoning Ordinance of the Town of Little Elm, Texas, and the Town Council hereby declares that it would have adopted the valid portions and applications of the ordinance without the valid parts and to this end the provisions of this ordinance shall remain in full force and effect.

**SECTION 8. REPEALER.** That all ordinances of the Town of Little Elm in conflict with the provisions of this ordinance be and the same are hereby repealed to the extent of that conflict.

**SECTION 9. EFFECTIVE DATE.** That this Ordinance shall take effect immediately upon its adoption and publication in accordance with and as provided by law and the Town Charter.

**PASSED AND APPROVED** by the Town Council of the Town of Little Elm, Texas on the 20<sup>th</sup> day of February, 2024.

Town of Little Elm, Texas

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Curtis Cornelious, Mayor

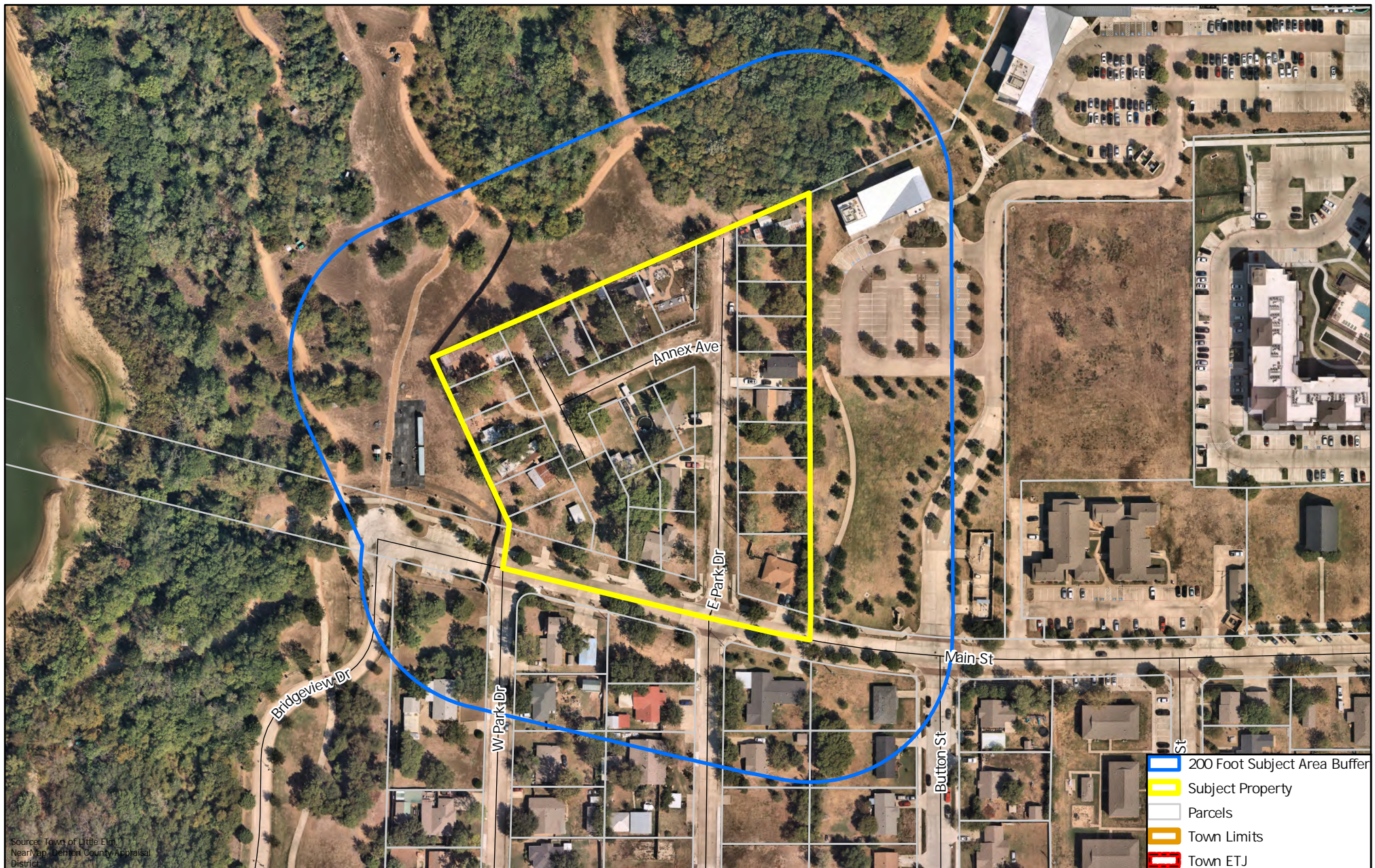
ATTEST:

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Caitlan Biggs, Town Secretary

**Exhibit A**  
Subject Area





Source: Town of Little Elm  
Nearby: Denton County Appraisal  
District



# Regulating Plan for Frisco Park Annex Subdivision Little Elm, TX 75068

**Town of Little Elm**  
**Denton County, Tx**

Date: 11/20/2023

0 90 180  
S Feet



This product is to be used for graphical representation only. The accuracy is not to be taken/used as data produced for engineering purposes or by a Registered Professional Land Surveyor for the State of Texas. For this level of detail, supervision and certification of the produced data by a Registered Professional Land Surveyor for the State of Texas would have to be performed. Town of Little Elm and its members assume no responsibility for the accuracy of said data.



**Exhibit B**  
Concept Plan and Design Vision Guide



20' WIDE PEDESTRIAN  
EASEMENT WITH TRAIL  
CONNECTION

OPENSOURCE / AMENITY  
SUCH AS A DOG PARK OR  
PLAY AREAS

ENHANCED PAVING IN  
DRIVES TO DELINEATE  
FIRE LANE

CONNECTION TO  
ADJACENT OPENSOURCE

PRIVATE YARD SPACE

INTERNAL CONNECTIONS  
TO AMENITY CENTER

AMENITY CENTER / SALES /  
HOA OFFICE

RESIDENTIAL AMENITY  
SPACE SUCH AS A POOL  
OR PLAY AREA

MAIN STREET FACING WALK UPS WITH  
STOOPS AND FRONT DOOR TO STREET. 5'  
FRONT YARD MINIMUM

R.O.W LANDSCAPE WITH STREET TREES AND  
PATHWAY CONNECTION TO TOWN HOMES  
FACING MAIN STREET

## ANNEX TOWNHOMES - LITTLE ELM, TEXAS

Scale: 1" = 30'  
0' 30' 60' 120'



20' WIDE PEDESTRIAN  
EASEMENT WITH TRAIL  
CONNECTION

Total Possible Units 66 Units

OPENSOURCE

22.08' X 34' UNITS

30' WIDE PUBLIC ACCESS  
EASEMENT

22.08' X 34' UNITS

25' X 51' UNITS

20' WIDE PEDESTRIAN  
EASEMENT WITH  
CONNECTION TO  
OPENSOURCE

AMENITY

24' WIDE ALLEY WAYS

20.08' X 40' UNITS

22.08' X 34' UNITS

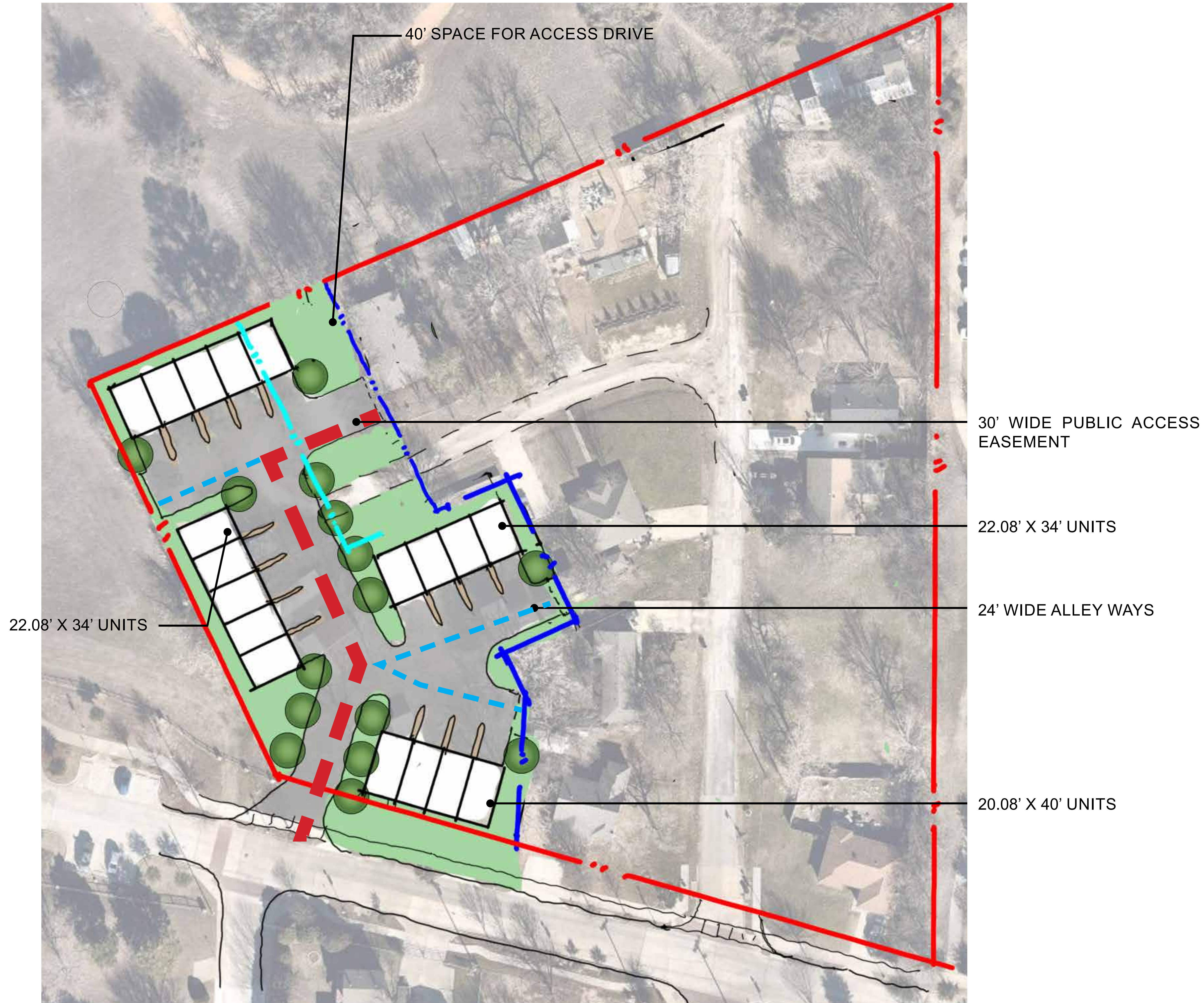


MAIN STREET FACING UNITS

ANNEX TOWNHOMES - LITTLE ELM, TEXAS

Scale: 1" = 30'  
0' 30' 60' 120'



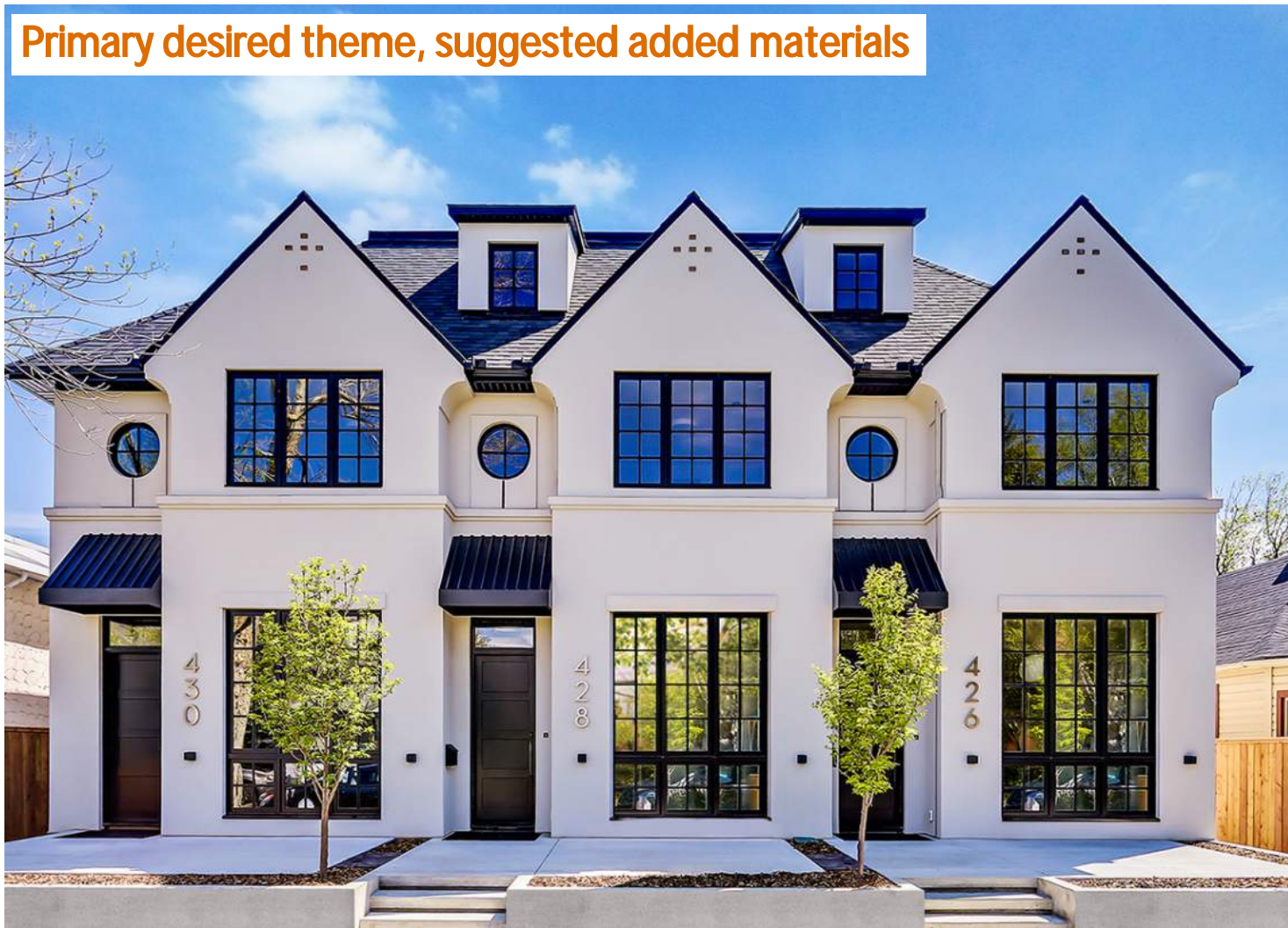


Potential Phase 1

18 Units



Primary desired theme, suggested added materials



Variations with light brick



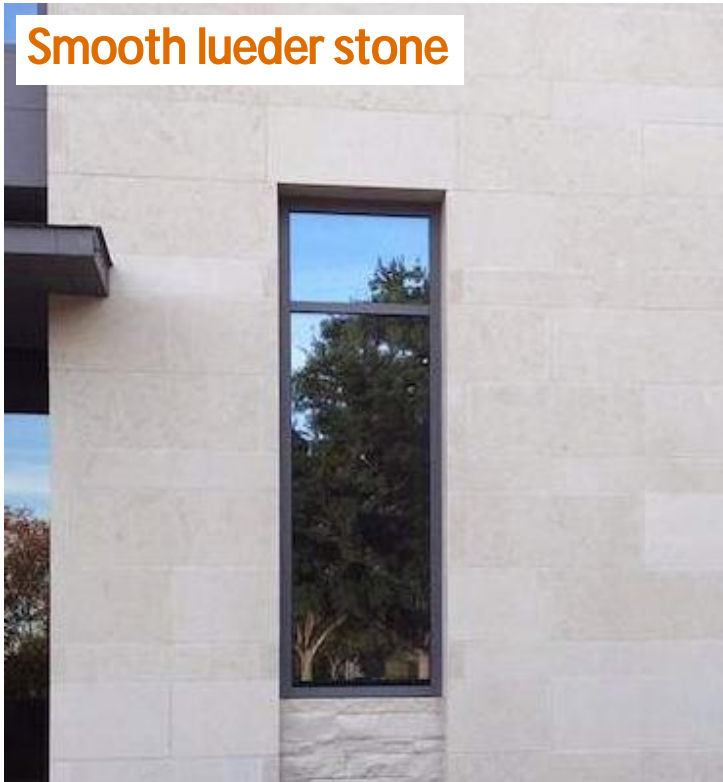
Alleys with perception of front door entry



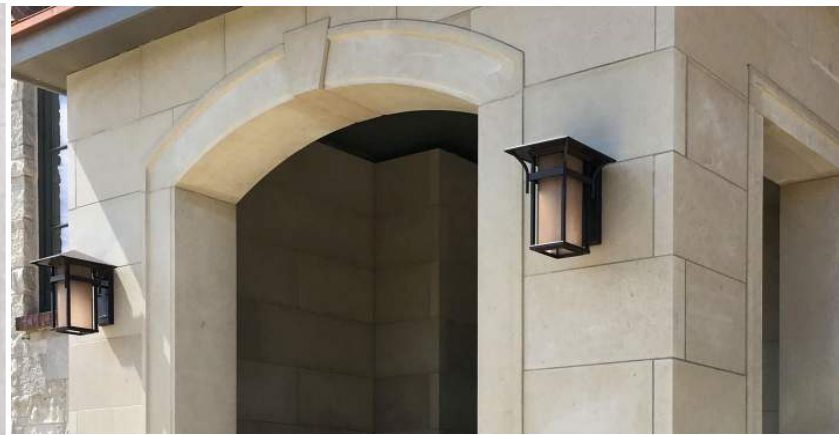
Alternating unit design







Smooth lueder stone



Siding and darker brick



White Brick



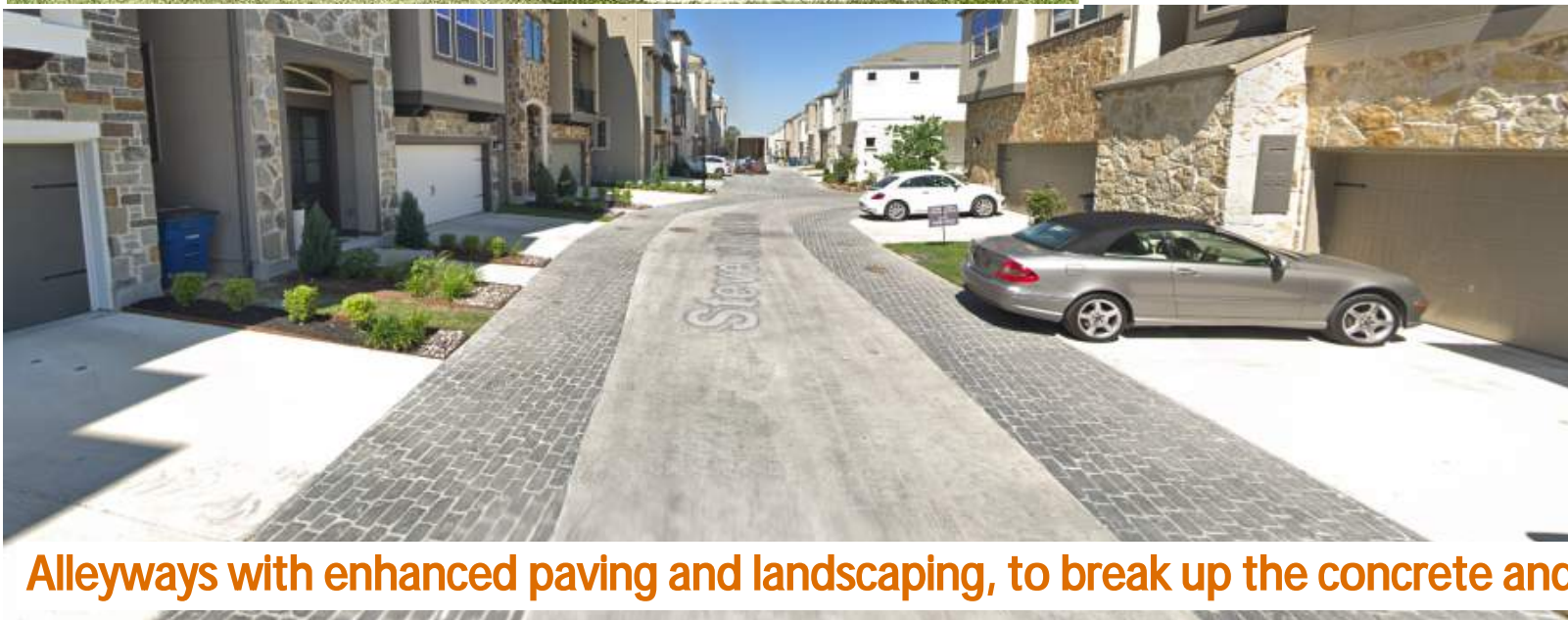
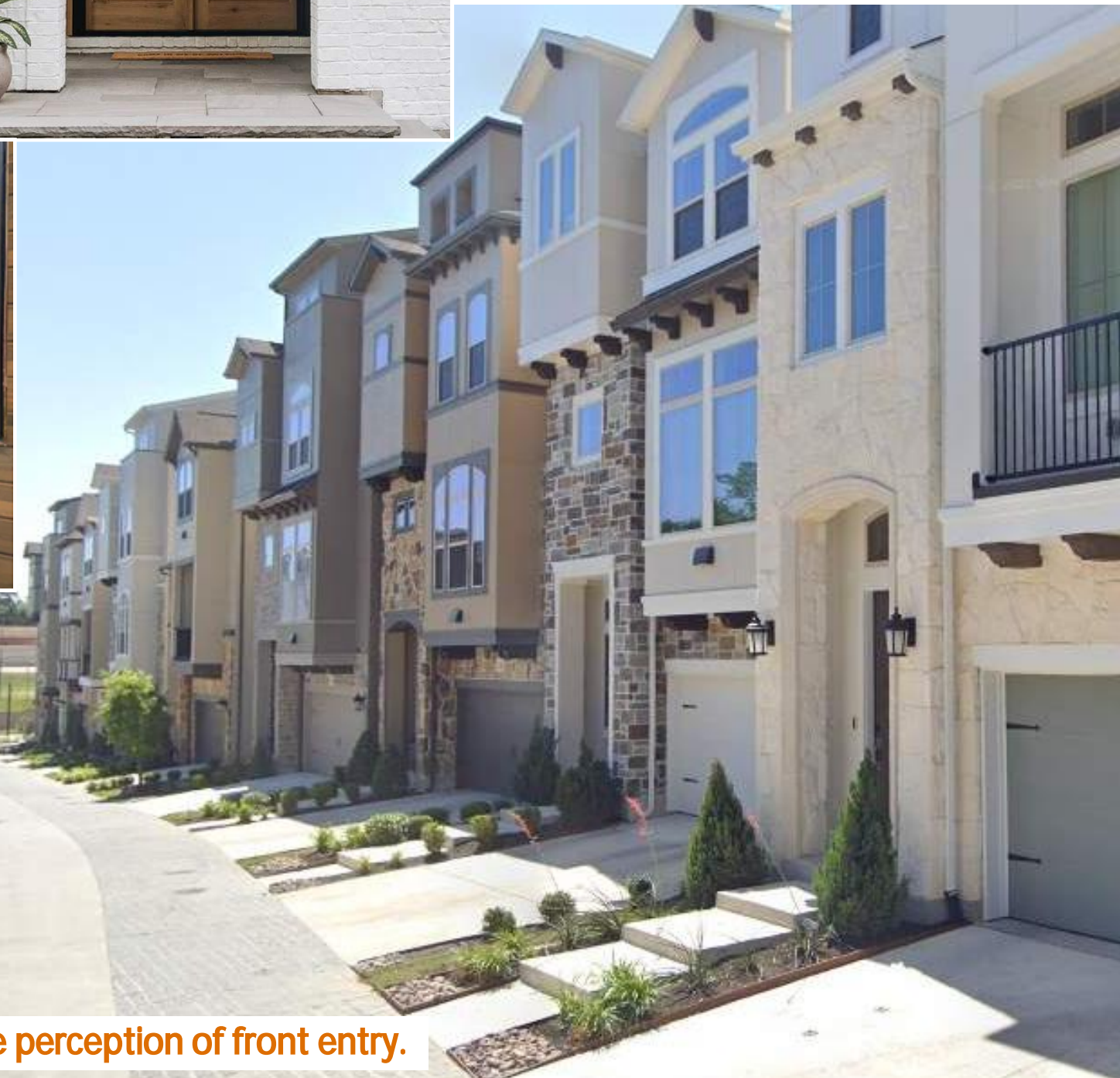
Enhanced front and alley door design.  
Enhanced lighting fixtures.



Board and batten siding



Wood accents



Alleyways with enhanced paving and landscaping, to break up the concrete and create perception of front entry.